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## ***Section 3 Local Aid Distribution***

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Additional local aid information based on the Governor's FY2018 Budget for individual cities and towns is available at <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/>

### **SECTION 3.**

Notwithstanding any general or special law to the contrary, for the fiscal year ending June 30, 2018 the distribution to cities and towns of the balance of the State Lottery and Gaming Fund, as paid from the General Fund in accordance with clause (c) of the second paragraph of section 35 of chapter 10 of the General Laws, and additional funds from the General Fund and the Gaming Local Aid Fund, shall be \$1,061,783,475 and shall be apportioned to the cities and towns in accordance with this section.

Notwithstanding section 2 of chapter 70 of the General Laws or any other general or special law to the contrary, except for section 12B of chapter 76 and section 89 of chapter 71 of the General Laws, for fiscal year 2018 the total amounts to be distributed and paid to each city and town from item 7061-0008 of section 2 shall be as set forth in the following lists. The specified amounts to be distributed from said item 7061-0008 of said section 2 shall be in full satisfaction of the amounts due under chapter 70 of the General Laws.

For fiscal year 2018, the foundation budget category of "low income enrollment" for the purpose of calculating foundation enrollment shall be the number of students identified as economically disadvantaged by qualifying as a match in the Commonwealth's direct certification system through the EOHHS virtual gateway system under the programs and categories of assistance used to match for the fiscal year 2017 foundation budget. The economically disadvantaged decile assignment and rate methodology shall be calculated in the same manner as in fiscal year 2017. The foundation budget rates for the employee benefits and fixed charges category will be increased to \$414.79 for pre-school and half day kindergarten, \$829.55 for full day kindergarten, \$829.59 for elementary, \$810.59 for middle school, \$761.96 for high school, \$3,259.68 for in-school special education, \$505.99 for limited English pre-school and half day kindergarten, \$1,002.45 for limited English all other grades, and \$1,196.77 for vocational. All other foundation budget categories for each district shall be calculated in the same manner as in fiscal year 2017. The target local share shall be calculated using the same methodology used in fiscal year 2017. Preliminary local contribution shall be the municipality's fiscal year 2017 minimum required local contribution, increased or decreased by the municipal revenue growth factor; provided, that if a municipality's preliminary local contribution as a percentage of its foundation budget is more than 2.5 percentage points lower than the target local share, the preliminary contribution shall be recalculated using the municipality's revenue growth factor plus 1 percentage point; and if a municipality's preliminary contribution as a percentage of its foundation budget is more than 7.5 percentage points lower than the target local share, the preliminary contribution shall be recalculated using the municipality's revenue growth factor plus 2 percentage points. Minimum required local contribution for fiscal year 2018 shall be, for any municipality with a fiscal year 2018 preliminary contribution greater than its fiscal year 2018 target contribution, the preliminary local contribution reduced by 85 per cent of the gap between the preliminary local contribution and the target local contribution. No minimum required local contribution shall be greater than 90 per cent of the district's foundation budget amount. Required local contribution shall be allocated among the districts to which a municipality belongs in direct proportion to the foundation budgets for the municipality's pupils at each of those districts. For fiscal year 2018, the "foundation aid increment" shall be the difference between: (a) the positive difference between a district's foundation budget and its required district contribution; and (b) prior year aid. The "minimum aid increment" shall be equal to \$20 multiplied by the district's foundation enrollment minus the foundation aid increment.

Chapter 70 aid for fiscal year 2018 shall be the sum of prior year aid plus the foundation aid increment, if any, plus the minimum aid increment, if any. No non-operating district shall receive chapter 70 aid in an amount greater than the district's foundation budget.

If there is a conflict between the language of this section and the distribution listed below, the distribution below shall control.

The department of elementary and secondary education shall not consider health care costs for retired teachers to be part of net school spending for any district in which such costs were not considered part of net school spending in fiscal year 1994, and for any district that has not accepted the provisions of section 260 of chapter 165 of the acts of 2014, provided that any district for whom such costs are not so considered shall have included as part of net school spending an amount equal to the increase in the foundation budget for the district associated with health care costs of retired teachers.

No payments to cities, towns or counties maintaining an agricultural school under this section shall be made after November 30 of the fiscal year until the commissioner of revenue certifies acceptance of the prior fiscal year's annual financial reports submitted pursuant to section 43 of chapter 44 of the General Laws. Advance payments shall be made for some or all of periodic local reimbursement or assistance programs to any city, town, regional school district, or agricultural school that demonstrates an emergency cash shortfall, as certified by the commissioner of revenue and approved by the secretary of administration and finance, under guidelines established by the secretary.

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MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
ABINGTON	7,618,449	1,965,195
ACTON	0	1,397,422
ACUSHNET	6,274,422	1,514,693
ADAMS	0	2,338,784
AGAWAM	19,215,602	3,680,303
ALFORD	0	14,019
AMESBURY	9,039,417	1,943,468
AMHERST	6,044,203	8,410,410
ANDOVER	10,000,476	1,785,062
AQUINNAH	0	2,335
ARLINGTON	11,124,809	7,578,995
ASHBURNHAM	0	794,291
ASHBY	0	437,425
ASHFIELD	93,413	185,464
ASHLAND	5,986,743	1,350,948
ATHOL	22,655	2,644,804
ATTLEBORO	35,784,471	5,699,154
AUBURN	10,025,963	1,710,866
AVON	1,425,231	692,399
AYER	0	756,264
BARNSTABLE	9,956,598	2,101,329
BARRE	0	898,463
BECKET	76,563	90,723
BEDFORD	4,595,175	1,146,770
BELCHERTOWN	13,720,786	1,699,777
BELLINGHAM	8,480,625	1,695,120

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MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
BELMONT	7,639,082	2,255,647
BERKLEY	3,950,128	607,836
BERLIN	452,705	201,410
BERNARDSTON	0	290,555
BEVERLY	7,839,722	5,833,890
BILLERICA	19,005,174	5,817,220
BLACKSTONE	151,375	1,367,375
BLANDFORD	43,655	126,847
BOLTON	4,568	197,239
BOSTON	217,420,475	189,267,705
BOURNE	5,074,233	1,464,445
BOXBOROUGH	14,864	251,995
BOXFORD	1,698,243	485,633
BOYLSTON	470,938	342,187
BRAINTREE	17,102,821	5,716,544
BREWSTER	978,549	394,445
BRIDGEWATER	76,038	3,638,533
BRIMFIELD	1,228,712	389,488
BROCKTON	171,370,758	20,917,128
BROOKFIELD	1,424,010	493,248
BROOKLINE	13,147,688	6,342,529
BUCKLAND	4,937	305,889
BURLINGTON	6,089,830	2,616,206
CAMBRIDGE	14,289,417	21,461,360
CANTON	5,903,276	2,142,288
CARLISLE	925,542	219,148
CARVER	9,896,539	1,459,379
CHARLEMONT	91,775	174,622
CHARLTON	21,633	1,447,318
CHATHAM	0	150,347
CHELMSFORD	10,845,008	5,070,449
CHELSEA	71,823,938	8,204,704
CHESHIRE	0	613,692
CHESTER	93,674	179,856
CHESTERFIELD	133,114	137,926
CHICOPEE	62,154,450	11,503,680
CHILMARK	0	3,747
CLARKSBURG	1,786,825	363,414
CLINTON	12,099,277	2,351,659
COHASSET	2,530,364	513,968
COLRAIN	5,956	288,319

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
CONCORD	3,207,078	1,158,938
CONWAY	619,714	178,539
CUMMINGTON	73,684	83,338
DALTON	236,011	1,136,604
DANVERS	6,698,252	2,845,286
DARTMOUTH	9,695,871	2,518,312
DEDHAM	4,577,338	3,266,846
DEERFIELD	1,092,203	479,817
DENNIS	0	544,059
DEVENS	308,558	0
DIGHTON	0	772,460
DOUGLAS	8,670,975	729,033
DOVER	762,638	192,170
DRACUT	19,144,357	3,500,184
DUDLEY	18,150	1,784,906
DUNSTABLE	2,961	245,710
DUXBURY	5,092,144	885,515
EAST BRIDGEWATER	10,522,167	1,495,339
EAST BROOKFIELD	186,016	289,726
EAST LONGMEADOW	10,540,855	1,446,023
EASTHAM	352,851	148,834
EASTHAMPTON	7,908,512	2,807,953
EASTON	9,896,571	2,187,668
EDGARTOWN	698,679	66,544
EGREMONT	0	63,031
ERVING	455,715	67,144
ESSEX	0	244,590
EVERETT	64,645,232	6,901,697
FAIRHAVEN	7,562,950	2,252,710
FALL RIVER	112,010,162	23,806,465
FALMOUTH	6,072,254	1,384,984
FITCHBURG	49,666,230	8,525,298
FLORIDA	545,787	49,723
FOXBOROUGH	8,862,220	1,488,008
FRAMINGHAM	42,272,611	9,938,983
FRANKLIN	28,020,271	2,468,462
FREETOWN	452,684	948,611
GARDNER	19,428,394	4,233,280
GEORGETOWN	5,434,888	715,645
GILL	0	242,992
GLOUCESTER	6,477,517	3,989,861



MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
GOSHEN	96,111	79,920
GOSNOLD	16,414	2,095
GRAFTON	10,890,445	1,561,999
GRANBY	4,615,390	882,066
GRANVILLE	61,660	160,167
GREAT BARRINGTON	0	758,155
GREENFIELD	12,178,267	3,171,605
GROTON	0	773,847
GROVELAND	43,209	727,187
HADLEY	997,114	453,397
HALIFAX	2,904,590	906,844
HAMILTON	0	671,185
HAMPDEN	0	687,308
HANCOCK	206,460	56,403
HANOVER	6,846,149	2,116,228
HANSON	59,066	1,279,285
HARDWICK	0	465,076
HARVARD	1,916,561	1,479,443
HARWICH	0	430,312
HATFIELD	822,076	311,711
HAVERHILL	52,278,829	9,818,458
HAWLEY	26,764	43,233
HEATH	0	83,584
HINGHAM	7,097,973	1,576,618
HINSDALE	104,683	222,432
HOLBROOK	5,640,984	1,474,020
HOLDEN	5,475	1,909,993
HOLLAND	922,138	201,636
HOLLISTON	7,415,360	1,547,029
HOLYOKE	71,027,039	10,145,817
HOPEDALE	6,019,480	651,420
HOPKINTON	6,222,253	784,762
HUBBARDSTON	0	450,005
HUDSON	11,544,781	1,992,098
HULL	3,808,776	2,117,120
HUNTINGTON	257,686	344,296
IPSWICH	3,213,590	1,603,607
KINGSTON	4,297,805	958,874
LAKEVILLE	73,946	817,397
LANCASTER	8,468	954,923
LANESBOROUGH	766,583	344,604

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
LAWRENCE	179,814,383	19,614,942
LEE	2,041,779	622,151
LEICESTER	9,692,727	1,734,555
LENOX	1,237,315	532,484
LEOMINSTER	44,012,257	5,717,489
LEVERETT	288,031	178,317
LEXINGTON	13,735,788	1,531,029
LEYDEN	0	82,252
LINCOLN	1,045,551	680,098
LITTLETON	3,927,598	710,119
LONGMEADOW	4,644,171	1,395,717
LOWELL	143,520,403	25,162,659
LUDLOW	13,616,573	3,051,799
LUNENBURG	7,234,426	1,056,431
LYNN	152,848,284	22,366,973
LYNNFIELD	4,250,151	1,038,979
MALDEN	48,996,999	12,533,384
MANCHESTER	0	222,163
MANSFIELD	18,688,749	2,228,356
MARBLEHEAD	5,709,289	1,137,599
MARION	816,417	225,411
MARLBOROUGH	24,510,927	5,438,142
MARSHFIELD	14,379,883	2,164,150
MASHPEE	4,525,326	367,548
MATTAPOISETT	808,485	404,891
MAYNARD	4,947,513	1,569,461
MEDFIELD	6,112,884	1,448,128
MEDFORD	11,816,316	12,117,695
MEDWAY	10,346,429	1,218,791
MELROSE	8,242,056	5,123,317
MENDON	27,056	408,247
MERRIMAC	39,015	840,540
METHUEN	42,289,283	5,431,706
MIDDLEBOROUGH	17,767,389	2,463,012
MIDDLEFIELD	13,200	53,107
MIDDLETON	1,619,801	546,604
MILFORD	23,055,185	3,051,332
MILLBURY	7,114,315	1,769,015
MILLIS	4,749,632	1,045,922
MILLVILLE	70,899	406,921
MILTON	7,404,278	3,209,943

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
MONROE	49,377	18,369
MONSON	7,475,305	1,304,068
MONTAGUE	0	1,431,713
MONTEREY	0	46,189
MONTGOMERY	21,042	86,697
MOUNT WASHINGTON	32,506	29,946
NAHANT	505,303	377,462
NANTUCKET	3,098,734	79,153
NATICK	9,227,165	3,806,809
NEEDHAM	9,105,193	1,743,949
NEW ASHFORD	179,597	20,292
NEW BEDFORD	137,455,679	22,980,913
NEW BRAINTREE	0	131,878
NEW MARLBOROUGH	0	58,505
NEW SALEM	6,030	103,651
NEWBURY	16,844	517,371
NEWBURYPORT	3,899,192	2,547,869
NEWTON	22,647,802	5,870,797
NORFOLK	3,397,895	958,026
NORTH ADAMS	13,706,773	4,432,063
NORTH ANDOVER	8,278,197	2,047,318
NORTH ATTLEBOROUGH	20,384,331	2,874,118
NORTH BROOKFIELD	4,248,338	796,029
NORTH READING	6,986,457	1,773,795
NORTHAMPTON	7,368,459	4,390,877
NORTHBOROUGH	3,882,610	1,114,331
NORTHBRIDGE	15,449,991	2,108,739
NORTHFIELD	0	360,937
NORTON	12,653,480	2,076,324
NORWELL	3,578,858	1,070,921
NORWOOD	6,169,755	4,646,761
OAK BLUFFS	919,462	72,654
OAKHAM	5,880	191,665
ORANGE	5,234,459	1,614,480
ORLEANS	369,679	171,598
OTIS	13,223	36,336
OXFORD	10,443,894	2,054,202
PALMER	10,814,050	2,003,477
PAXTON	0	540,589
PEABODY	19,188,292	7,211,324
PELHAM	229,811	159,020

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
PEMBROKE	13,404,612	1,679,302
PEPPERELL	0	1,491,023
PERU	89,842	114,091
PETERSHAM	430,623	114,528
PHILLIPSTON	0	184,276
PITTSFIELD	40,396,418	8,625,330
PLAINFIELD	39,513	50,119
PLAINVILLE	2,878,971	757,895
PLYMOUTH	25,743,405	3,914,506
PLYMPTON	725,450	237,003
PRINCETON	0	295,785
PROVINCETOWN	282,701	138,183
QUINCY	26,950,186	19,075,668
RANDOLPH	16,236,840	5,192,661
RAYNHAM	0	1,135,988
READING	10,549,389	3,238,667
REHOBOTH	0	1,041,367
REVERE	56,662,606	10,276,496
RICHMOND	356,249	108,082
ROCHESTER	1,798,062	424,300
ROCKLAND	13,682,885	2,640,947
ROCKPORT	1,453,796	437,134
ROWE	136,075	3,936
ROWLEY	25,266	539,494
ROYALSTON	0	179,602
RUSSELL	168,465	246,731
RUTLAND	0	924,139
SALEM	21,691,372	6,891,419
SALISBURY	33,688	631,215
SANDISFIELD	8,539	34,618
SANDWICH	6,960,538	1,125,988
SAUGUS	5,542,372	3,665,082
SAVOY	511,709	115,752
SCITUATE	5,405,031	2,009,685
SEEKONK	5,124,455	1,229,326
SHARON	7,206,537	1,398,467
SHEFFIELD	16,826	243,380
SHELBURNE	0	261,253
SHERBORN	658,252	216,392
SHIRLEY	0	1,310,705
SHREWSBURY	19,645,648	2,782,874

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
SHUTESBURY	622,436	169,412
SOMERSET	7,501,336	1,532,241
SOMERVILLE	20,117,158	25,171,000
SOUTH HADLEY	7,914,784	2,609,119
SOUTHAMPTON	2,517,826	636,553
SOUTHBOROUGH	2,902,181	436,945
SOUTHBRIDGE	21,123,574	3,514,559
SOUTHFIELD	0	0
SOUTHWICK	180,523	1,260,155
SPENCER	49,601	2,259,569
SPRINGFIELD	331,958,979	37,819,217
STERLING	0	692,592
STOCKBRIDGE	0	99,581
STONEHAM	4,221,300	3,712,808
STOUGHTON	15,403,052	3,199,090
STOW	4,707	420,553
STURBRIDGE	3,786,504	773,978
SUDBURY	4,801,298	1,398,438
SUNDERLAND	859,558	504,938
SUTTON	5,384,175	779,841
SWAMPSCOTT	3,472,461	1,293,116
SWANSEA	7,368,837	1,876,329
TAUNTON	57,894,642	8,402,471
TEMPLETON	8,292	1,393,082
TEWKSBURY	13,083,955	2,780,480
TISBURY	685,817	97,959
TOLLAND	2,104	18,465
TOPSFIELD	1,151,558	612,757
TOWNSEND	0	1,312,935
TRURO	377,712	30,055
TYNGSBOROUGH	7,295,994	965,448
TYRINGHAM	40,165	12,684
UPTON	19,248	531,879
UXBRIDGE	9,313,214	1,374,601
WAKEFIELD	6,191,361	3,365,539
WALES	981,244	235,962
WALPOLE	7,923,701	2,546,080
WALTHAM	11,377,927	9,593,304
WARE	9,431,697	1,724,734
WAREHAM	13,178,886	1,976,561
WARREN	0	903,844

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid
WARWICK	0	127,053
WASHINGTON	4,365	94,358
WATERTOWN	4,874,451	6,663,615
WAYLAND	4,235,790	903,034
WEBSTER	12,210,094	2,473,495
WELLESLEY	8,343,560	1,294,148
WELLFLEET	189,409	58,392
WENDELL	0	174,104
WENHAM	0	427,922
WEST BOYLSTON	2,974,265	795,966
WEST BRIDGEWATER	3,652,739	653,276
WEST BROOKFIELD	252,170	486,582
WEST NEWBURY	2,299	296,010
WEST SPRINGFIELD	25,973,225	3,580,408
WEST STOCKBRIDGE	0	97,134
WEST TISBURY	0	185,560
WESTBOROUGH	7,776,815	1,157,670
WESTFIELD	34,188,743	6,289,033
WESTFORD	16,804,225	2,123,074
WESTHAMPTON	468,090	144,763
WESTMINSTER	0	653,977
WESTON	3,554,985	373,690
WESTPORT	4,455,302	1,215,414
WESTWOOD	5,076,173	728,832
WEYMOUTH	28,008,885	8,710,954
WHATELY	258,510	134,068
WHITMAN	78,029	2,419,075
WILBRAHAM	12,668	1,462,090
WILLIAMSBURG	532,345	302,452
WILLIAMSTOWN	968,801	953,797
WILMINGTON	11,235,940	2,484,126
WINCHENDON	11,394,390	1,680,683
WINCHESTER	8,014,043	1,478,108
WINDSOR	26,342	103,744
WINTHROP	6,490,175	4,211,539
WOBURN	8,677,384	5,980,823
WORCESTER	244,533,131	41,515,613
WORTHINGTON	239,271	125,485
WRENTHAM	3,728,363	931,398
YARMOUTH	0	1,261,333
Total Municipal Aid	4,018,077,050	1,061,783,475

	Chapter 70
Regional School District	
ACTON BOXBOROUGH	14,804,931
ADAMS CHESHIRE	10,261,783
AMHERST PELHAM	9,460,557
ASHBURNHAM WESTMINSTER	10,719,643
ASSABET VALLEY	5,091,712
ATHOL ROYALSTON	17,302,150
AYER SHIRLEY	8,179,471
BERKSHIRE HILLS	2,860,708
BERLIN BOYLSTON	1,102,488
BLACKSTONE MILLVILLE	10,862,439
BLACKSTONE VALLEY	8,177,864
BLUE HILLS	4,714,411
BRIDGEWATER RAYNHAM	21,077,561
BRISTOL COUNTY	3,023,742
BRISTOL PLYMOUTH	10,994,412
CAPE COD	2,142,937
CENTRAL BERKSHIRE	8,661,679
CHESTERFIELD GOSHEN	743,540
CONCORD CARLISLE	2,414,884
DENNIS YARMOUTH	7,061,714
DIGHTON REHOBOTH	12,754,496
DOVER SHERBORN	2,033,584
DUDLEY CHARLTON	24,227,223
ESSEX NORTH SHORE	3,871,443
FARMINGTON RIVER	431,620
FRANKLIN COUNTY	3,483,766
FREETOWN LAKEVILLE	10,905,273
FRONTIER	2,815,735
GATEWAY	5,598,089
GILL MONTAGUE	6,174,234
GREATER FALL RIVER	15,930,599
GREATER LAWRENCE	23,470,842
GREATER LOWELL	24,949,262
GREATER NEW BEDFORD	24,851,484
GROTON DUNSTABLE	10,754,273
HAMILTON WENHAM	3,589,356
HAMPDEN WILBRAHAM	11,712,154
HAMPSHIRE	3,224,233
HAWLEMONT	621,062
KING PHILIP	7,443,300
LINCOLN SUDBURY	2,986,366

	Chapter 70
Regional School District	
MANCHESTER ESSEX	2,953,858
MARTHAS VINEYARD	2,828,080
MASCONOMET	5,072,099
MENDON UPTON	12,296,046
MINUTEMAN	2,071,403
MOHAWK TRAIL	5,992,114
MONOMOY	3,281,703
MONTACHUSETT	14,100,241
MOUNT GREYLOCK	1,743,153
NARRAGANSETT	9,860,854
NASHOBA	6,820,120
NASHOBA VALLEY	3,671,684
NAUSET	3,444,939
NEW SALEM WENDELL	679,921
NORFOLK COUNTY	1,222,520
NORTH MIDDLESEX	20,171,653
NORTHAMPTON SMITH	905,695
NORTHBORO SOUTHBORO	3,063,544
NORTHEAST METROPOLITAN	9,152,165
NORTHERN BERKSHIRE	4,675,316
OLD COLONY	3,250,104
OLD ROCHESTER	2,873,838
PATHFINDER	5,434,285
PENTUCKET	13,016,162
PIONEER	4,121,641
QUABBIN	16,504,518
QUABOAG	9,050,057
RALPH C MAHAR	5,388,620
SHAWSHEEN VALLEY	6,377,731
SILVER LAKE	8,016,734
SOMERSET BERKLEY	4,833,911
SOUTH MIDDLESEX	4,400,481
SOUTH SHORE	4,301,030
SOUTHEASTERN	15,540,944
SOUTHERN BERKSHIRE	1,940,811
SOUTHERN WORCESTER	10,290,018
SOUTHWICK TOLLAND GRANVILLE	9,744,238
SPENCER EAST BROOKFIELD	13,585,674
TANTASQUA	8,641,991
TRI COUNTY	5,649,638
TRITON	8,612,641
UPISLAND	850,442



	Chapter 70
Regional School District	
UPPER CAPE COD	3,014,031
WACHUSETT	26,692,670
WHITMAN HANSON	24,513,430
WHITTIER	9,190,424

	Chapter 70	Unrestricted General Government Aid
TOTALS		
Total Regional Aid	701,330,192	
Total Municipal and Regional Aid	4,719,407,242	1,061,783,475

## **Section 4 - Collection of Sex Offender Registration Fee**

SECTION 4. Section 178Q of chapter 6 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by adding the following paragraph:- The sex offender registry board shall, within 30 days of a sex offender's failure of the requirement under this section to pay said sex offender registry fee or any portion thereof, report to the department of revenue and the registry of motor vehicles the offender's name, other necessary identifying information as determined by the commissioner of the department of revenue or the registry of motor vehicles, and the unpaid amount of any sex offender registration fee owed. The department of revenue shall intercept payment of such unpaid fee from tax refunds due to persons and provide the amount intercepted to the sex offender registry board in accordance with the provisions of chapter 62D. For the purposes of this intercept, the sex offender registry board shall be considered a "claimant agency" as defined in section 1 of chapter 62D, and such set-off shall be conducted before the set-off of a refund for unpaid federal nontax liabilities to a federal agency. The registry of motor vehicles shall not issue or renew a driver's license, or motor vehicle registration for any vehicle subsequently purchased, to any offender reported with an unpaid sex offender registration fee until it receives subsequent notification from the sex offender registry board that the reported offender's fee has been paid.

### *Summary:*

This section requires the Sex Offender Registry Board to notify the Department of Revenue (DOR) and the Registry of Motor Vehicles (RMV) when a sex offender fails to pay the annual registration fee and further requires DOR to intercept refunds and RMV to refuse to issue or renew licenses or registrations until the fee is paid.

## **Section 5 - MassDOT Advertising**

SECTION 5. Section 3 of chapter 6C of the General Laws, as so appearing, is hereby amended by striking out clauses (47) and (48) and inserting in place thereof the following 3 clauses:-  
(47) ensure regional equity related to transportation planning, construction, repair, maintenance, capital improvement, development and funding;  
(48) designate a representative to act in its interest in labor relations matters with its employees; and  
(49) promulgate rules and regulations for the control of billboards, signs and other advertising devices on public ways or on private property within public view of any public way, highway, public park or reservation.

### *Summary:*

This section eliminates any ambiguity by explicitly authorizing the Department of Transportation (MassDOT) to promulgate rules and regulations for the control of billboards, signs and other advertising devices.

## **Section 6 - Transportation Employees on Capital**

SECTION 6. Section 15 of said chapter 6C, as so appearing, is hereby amended by inserting in line 12, after the word, "expenditures," the following words:-  
, unless used as the state match to federal funding for transportation projects.

*Summary:*

This section allows MassDOT to use capital funds for a portion of the salaries of certain employees who work on federally-eligible capital projects and whose salaries are 80% funded by the federal government.

### **Section 7 - MassDOT/MBTA Cost Recovery 1**

SECTION 7. Section 20 of said chapter 6C, as so appearing, is hereby amended by striking out, in line 22, the figure "\$5,000" and inserting in place thereof the following figure:- \$100,000.

*Summary:*

Current law requires that for any sale of real estate greater than \$5,000, MassDOT must complete a competitive bidding process, even if the costs of complying with that process exceed the fair market value of the property. This section raises the property value threshold to a point where a competitive bidding process is cost-effective.

### **Section 8 - State Leasing 1**

SECTION 8. Section 35 of chapter 7C of the General Laws, as so appearing, is hereby amended by striking out, in lines 11 and 12, the words, "a term not exceeding 10 years," and inserting in place thereof the following words:- an initial term not exceeding 10 years with two 5-year extensions.

*Summary:*

This section, together with the subsequent section, provides the Division of Capital Asset Management and Maintenance (DCAMM) with one additional option to renew a state lease for five years, which if exercised would result in a maximum lease term of twenty years.

### **Section 9 - State Leasing 2**

SECTION 9. Section 35A of said chapter 7C, as so appearing, is hereby amended by striking out subsection (b).

*Summary:*

This section, together with the preceding section, provides DCAMM with one additional option to renew a state lease for five years, which if exercised would result in a maximum lease term of twenty years.

### **Section 10 - Commonwealth Facility Trust for Energy Efficiency**

SECTION 10. Chapter 10 of the General Laws is hereby amended by inserting after Section 35DDD the following section:-

Section 35EEE. There shall be established and set up on the books of the commonwealth a separate expendable trust, to be known as the Commonwealth Facility Trust for Energy Efficiency, hereinafter in this section referred to as the trust. There shall be credited to the trust (i) an initial \$500,000 transfer from the existing Energy Credit, Efficiency and Sustainable Design Trust Fund previously established by a declaration by the secretary of the executive office of administration and finance executed March

21, 2006 and most recently amended and restated on March 1, 2011; (ii) amounts paid by agencies having completed energy and/or water efficiency projects funded at least in part by monies disbursed from the trust; (iii) any monies received by the commonwealth from persons or governmental, quasi-governmental or non-governmental entities as rebates, credits, securities, grants, or the like as a result of enhancing energy efficiency and utilizing renewable energy applications in facility projects funded at least in part by monies disbursed from the trust; and (iv) any appropriations, bond proceeds, or other monies authorized by the general court and specifically designated to be credited thereto. The comptroller shall disburse amounts in the trust at the direction of the secretary of administration and finance, in consultation with the commissioner of the division of capital asset management and maintenance, without further appropriation, for the purpose of funding certain small and medium energy and water efficiency projects at state facilities identified by the division of capital asset management and maintenance. The secretary of administration and finance or the commissioner of the division of capital asset management and maintenance may require agencies to agree to repayment terms, including without limitation payment of administrative fees, as a condition of receipt of monies from the trust. All monies received from non-governmental parties by the division of capital asset management and maintenance under this section shall be by check made payable to the commonwealth of Massachusetts and deposited in the trust by the division of capital asset management and maintenance. Amounts credited to the trust shall not be subject to further appropriation. Money remaining in the trust at the close of a fiscal year shall not revert to the General Fund and shall be available for expenditure in subsequent fiscal years.

*Summary:*

This section establishes a revolving trust to provide state agencies with funding for smaller energy and water conservation projects.

## **Section 11 - Health Care Cost Transparency**

SECTION 11. Section 10 of chapter 12C of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out subsection (e) and inserting in place thereof the following 2 subsections:-

(e) The center, in consultation with the executive office of health and human services, shall develop an appropriate approach to reporting health care price and related information by provider for consumers, employers and other interested parties. The center shall establish a list of the most common procedures and services based on data collected under this section and sections 8 and 9. The center shall require private and public health care payers to submit the payment rates for such procedures and services and other information necessary for the center to determine the weighted average rate per provider across the market, for every provider with which the payer has contracted or has a compensation arrangement. The center shall aggregate any data collected under this section and develop the weighted average payer rate for such procedures and services, by individual provider, and shall make such information publicly available. The center shall keep confidential all nonpublic data obtained under this section and shall not disclose any data to any person without the consent of the provider or payer that produced the data, except that the center may disclose such data in an aggregated format, as provided above. The center shall promulgate regulations necessary to implement the provisions of this section.

(f) Except as specifically provided otherwise by the center or under this chapter, insurer data collected by the center under this section shall not be a public record under clause Twenty-sixth of section 7 of chapter 4 or under chapter 66.

*Summary:*

This section requires the Center for Health Information and Analysis to make available the weighted average payer rate, by provider, for the most common procedures and services using aggregated data reported by the health plans.

## Section 12 - Employment and Training

SECTION 12. Section 5 of chapter 18 of the General Laws, as so appearing, is hereby amended by striking out, in lines 71 and 72, the words "and shall have a caseload of not more than 60 recipients".

*Summary:*

This section eliminates the maximum caseload of 60 clients currently required by law for self-sufficiency specialists at the Department of Transitional Assistance. Eliminating this cap will allow the Department to target high risk clients in a more effective manner, without compromising case management services for other clients.

## Section 13 - Tourism Formula

SECTION 13. Chapter 23A of the General Laws is hereby amended by striking out section 13T, as inserted by section 39 of chapter 133 of the acts of 2016, and inserting in place thereof the following section:-

Section 13T. (a) There shall be a Massachusetts Tourism Trust Fund which shall be administered by the Massachusetts marketing partnership established in section 13A and held by the partnership separate and apart from its other funds. The fund shall be credited with \$10,000,000 from the room occupancy excise imposed by section 3 of chapter 64G and section 22 of chapter 546 of the acts of 1969; provided that funds so credited shall not be subject to fringe benefits and indirect costs assessed by the comptroller of the commonwealth.

(b) There shall also be credited to the fund all revenue as designated under the Gaming Revenue Fund pursuant to subclause (b) of clause (2) of section 59 of chapter 23K.

(c) All available money in the fund that is unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure by the fund in the subsequent fiscal year.

(d) Money in the fund shall be applied as follows:

(i) \$4,000,000 for the operation of the Massachusetts marketing partnership;

(ii) \$3,000,000 for grants to regional tourism councils; and

(iii) \$3,000,000 for the Massachusetts marketing partnership, which may promote four hundredth anniversary celebrations of municipalities within the commonwealth and the founding of the United States; provided further, that eligible entities to receive grant funding include, but are not limited to: regional tourism councils, non-profit organizations, and municipalities.

(e) The Massachusetts marketing partnership shall submit an annual report to the clerks of the senate and house of representatives and the joint committee on tourism, arts and cultural development not later than December 31 on the cost-effectiveness of the fund. The report shall be made available on the office of travel and tourism's website. The report shall include: (i) expenditures made by the partnership from money out of the fund to promote tourism; (ii) expenditures made by the partnership for administrative costs; (iii) expenditures made by the regional tourism councils to promote tourism; and (iv) expenditures made by the regional tourism councils for administrative costs.

*Summary:*

This section amends section 13T of chapter 23A to provide for the distribution in fiscal year 2018 of Tourism Trust Fund revenues.

**Section 14 - Open for Business: Green Partnerships**

SECTION 14. Section 11C of chapter 25A of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by adding the following subsection:-

(e)(1) Notwithstanding section 137 of chapter 164, and consistent with this section and sections 30 and 31 of chapter 7C, the commissioner of capital asset management and maintenance may, in cooperation with a state agency or building authority, develop requests for proposals for power-purchase agreements or net metering agreements involving use of commonwealth real property.

(2) A state agency or building authority may only develop requests for proposals for power-purchase agreements or net metering agreements in a manner consistent with this subsection and with the approval of the commissioner of capital asset management and maintenance, who shall give such approval in writing to the authorized state agency or building authority. The division of capital asset management and maintenance may contract for power-purchase agreements or net metering agreements jointly with the authorized state agency or building authority, if such arrangement is deemed necessary and appropriate by the commissioner of capital asset management and maintenance.

(3) The commissioner of capital asset management and maintenance and the authorized state agency or building authority may award contracts for power-purchase agreements or net metering agreements to the proposer whose proposal provides the best value for the commonwealth. For the purposes of this section, a determination of "best value" may include price per unit of power, total energy output, the quality of the proposal and the entity submitting a proposal, including but not limited to any subcontractors and consultants used by the entity submitting a proposal, and such other factors to be determined by the commissioner of capital asset management and maintenance, and set forth in the request for proposals.

(4) Notwithstanding sections 33 through 36, inclusive, of chapter 7C or any other general or special law to the contrary, the commissioner of capital asset management and maintenance, in consultation with the authorized state agency or building authority, may lease one or more parcels of land owned by the commonwealth, other than land subject to article 97 of the amendments to the constitution of the commonwealth, for a term, including extensions, not to exceed 20 years, in connection with a power-purchase agreement or net metering agreement under this subsection. The exact boundaries of the property so leased shall be determined by the commissioner of capital asset management and maintenance after completion of a survey. Each lease shall be subject to such terms and conditions as the commissioner of capital asset management and maintenance may prescribe, in consultation with the authorized state agency or building authority. In connection with any lease authorized by this section, the commissioner of capital asset management and maintenance may grant rights of way or easements for access, egress and utilities across commonwealth property contiguous to the leased premises, provided, however, that such rights of way or easements shall expire upon the expiration or termination of the lease.

*Summary:*

This section authorizes DCAMM to enter into power-purchase and net metering agreements and to lease state-owned land involved in such agreements for a term of up to twenty years.

### **Section 15 - Trial Court Energy Conservation 1**

SECTION 15. Section 14 of said chapter 25A, as so appearing, is hereby amended by striking out, in lines 1 and 2, the words "or local governmental body" and inserting in place thereof the following words:- , local governmental body, or the judiciary.

*Summary:*

This section, with the two following sections, adds the judiciary to the list of entities that may contract for energy conservation projects that are valued at less than \$100,000 without competitive bidding.

### **Section 16 - Trial Court Energy Conservation 2**

SECTION 16. Said section 14 of said chapter 25A, as so appearing, is hereby further amended by striking out, in line 9, the words "or body" and inserting in place thereof the following words:- , body, or the judiciary.

*Summary:*

This section, with the two surrounding sections, adds the judiciary to the list of entities that may contract for energy conservation projects that are worth less than \$100,000 without public bidding.

### **Section 17 - Trial Court Energy Conservation 3**

SECTION 17. Said section 14 of said chapter 25A, as so appearing, is hereby further amended by striking out, in line 14, the word "or local governmental body" and inserting in place thereof the following words:- , local governmental body, or the judiciary.

*Summary:*

This section, with the two preceding sections, adds the judiciary to the list of entities that may contract for energy conservation projects that are worth less than \$100,000 without public bidding.

### **Section 18 - Child Care Quality Fund**

SECTION 18. Section 2JJ of chapter 29 of the General Laws, as so appearing, is hereby amended by striking out, in lines 7 and 8, the words, "for providing grants to not for profit child care organizations".

*Summary:*

This section changes the permissible uses of revenues generated through the sale of distinctive license plates and deposited into the Child Care Quality Fund. The change would permit the Department of Early Education and Care to expend the revenues to improve child care services either directly or through grants to for-profit and non-profit entities, rather than exclusively to non-profit entities as current law requires.

### **Section 19 - Hospital Assessment 1**

SECTION 19. Said chapter 29 is hereby amended by inserting, after section 2VVVV, the following section:-

Section 2WWWW. (a) There shall be a Non-Acute Care Hospital Reimbursement Trust Fund to be administered by the secretary of health and human services. There shall be credited to the fund: (1) All revenues generated from the assessment under subsection (b) of section 67 of chapter 118E; (2) an amount equal to any federal financial participation revenues claimed and received by the commonwealth for eligible expenditures made from the fund; (3) any revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; and (4) interest earned on any money in the fund. Amounts credited to the fund shall be expended without further appropriation.

(b) Money in the fund shall be expended for Medicaid payments for (i) non-public hospitals licensed by the department of public health under section 51 of chapter 111, but not defined as "acute care hospitals" under section 25B of said chapter 111, or (ii) non-public hospitals licensed as "inpatient facilities" by the department of mental health under section 19 of chapter 19 and regulations promulgated thereunder, but not categorized as Class VII licensees under said regulations. The amounts of increased payments to such hospitals under this section shall be established by the executive office of health and human services in a manner consistent with the requirements and conditions of federal financial participation under 42 U.S.C. §1396b(w) and 42 C.F.R. §433.68, including the prohibitions against hold harmless features as defined under 42 U.S.C. §1396b(w)(4) and 42 C.F.R. §433.68(f) and shall be made only under federally-approved payment methods and consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services; provided further, that the schedule of payment amounts to be established and distributed by the executive office of health and human services under this section shall be developed: (i) in a manner determined to promote the provider capacity, access and utilization management needs of the MassHealth program, as those needs are determined by the secretary of health and human services; and (ii) in consultation with at least one trade organization representing rehabilitation hospital providers, chronic hospital providers, and psychiatric hospital providers. In order to accommodate timing discrepancies between the receipt of revenue and related expenditures, the comptroller may certify for payment amounts not to exceed the most recent revenue estimates as certified by the secretary of health and human services to be transferred, credited or deposited under this section. Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in subsequent fiscal years.

*Summary:*

This section establishes a non-acute care hospital reimbursement trust fund to support the provider capacity, access and utilization management needs of the MassHealth program. The fund will be credited with amounts collected under the non-acute care hospital assessment.

## **Section 20 - Stabilization Fund Transfers 1**

SECTION 20. Said chapter 29 of the General Laws is hereby amended by striking out section 5B, as appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

Section 5B. The secretary of administration and finance, with the approval of the governor, shall on or before October 15 of every year, prepare estimates of budgeted revenues which in the secretary's judgment will be available for the current year. In making such estimate the secretary shall take into account existing taxes, the probable economic growth within the state, anticipated federal fund receipts, the anticipated growth in wages and salaries, departmental and other revenue based on existing laws and amounts available to be transferred into budgetary funds. Such estimates shall be delivered to the house and senate committees on ways and means and shall be made available to the general public in a conspicuous manner on the commonwealth's official website within 14 days of submission of such revisions to the governor. The secretary shall accompany any revision of previous estimates with explanations of any changes in the secretary's estimates for specific sources of revenue.



The commissioner of revenue shall annually prepare and present with the governor's proposed budget actual or updated estimates of tax expenditures which occurred during the preceding fiscal year, based on the best available information, and estimates of tax expenditures which in his judgment will occur during the current fiscal year and the ensuing fiscal year. Such estimates of tax expenditures shall be prepared to facilitate a comparison of increases or decreases from actual or estimated tax expenditures of the preceding fiscal year to the estimates of tax expenditures for the current fiscal year and to the ensuing fiscal year. Such estimates shall also compare actual or updated estimates of tax expenditures during the preceding fiscal year, based on the best available information, to estimates previously presented for that fiscal year by the commissioner of revenue under this paragraph. The commissioner shall identify and analyze reasons for updates in estimates or for significant discrepancies identified under the preceding sentence.

On or before January 15, the secretary of administration and finance shall meet with the house and senate committees on ways and means and shall jointly develop a consensus tax revenue forecast for the budget for the ensuing fiscal year which shall be agreed to by the secretary and said committees. In developing such a consensus tax revenue forecast, the secretary and said committees, or subcommittees of said committees, may hold joint hearings on the economy of the commonwealth and its impact on tax revenue forecasts; provided, however, that in the first year of the term of office of a governor who has not served in the preceding year, said parties shall agree to the consensus tax revenue forecast not later than January 31 of said year. Said consensus tax estimate shall be net of the amount necessary to transfer, from the General Fund to the Commonwealth's Pension Liability Fund, to amortize the unfunded liability of the system according to the schedule established under paragraph (1) of section 22C of chapter 32, and of the amounts transferred to the MBTA State and Local Contribution Fund under section 35T of chapter 10, and to the School Modernization and Reconstruction Trust Fund under section 35BB of chapter 10. Said consensus tax estimate shall also include an estimate of taxes collected under chapter 62 for capital gains income, as defined therein, and shall be net of the amount necessary to transfer, from the General Fund to the Commonwealth Stabilization Fund, one-half of the amount by which the estimate of capital gains taxes exceeds \$1,168,790,736. For fiscal year 2019 and later fiscal years, the threshold established in the preceding sentence shall be adjusted annually to reflect the average annual rate of growth in United States gross domestic product over the preceding 5 years based on the most recently available data published by the Bureau of Economic Analysis in the United States Department of Commerce. Said consensus tax revenue forecast shall be included in a joint resolution and placed before the members of the general court for their consideration. Such joint resolution, if passed by both branches of the general court, shall establish the maximum amount of tax revenue which may be considered for the general appropriation act for the ensuing fiscal year.

Not later than March 31 of the fiscal year for which the consensus revenue estimate was established, the comptroller shall transfer the excess capital gains tax amount described in the fourth sentence of the preceding paragraph from the General Fund to the Commonwealth Stabilization Fund. Any transfer under this paragraph shall be made by the comptroller in accordance with a transfer schedule to be developed by the comptroller, after consulting with the secretary of administration and finance and the state treasurer. The schedule shall provide for transfers in increments considered appropriate to meet the cash flow needs of the commonwealth and all transfers under the schedule shall be completed not later than March 31 of that fiscal year.

*Summary:*

This section, with the following section, is part of the Stabilization Fund transfer initiative. This section conforms section 5B of chapter 29 to the proposed replacement of the current capital gains transfer provision, and to establish the requirement to transfer, pre-budget, one-half of the amount by which estimated capital gains tax collections exceed the current statutory threshold for such collections.

## **Section 21 - Stabilization Fund Transfers 2**

SECTION 21. Said chapter 29 of the General Laws is hereby further amended by striking out section 5G, as so appearing, and inserting in place thereof the following section:-

Section 5G. Not later than 4 weeks after the commissioner of revenue reports preliminary tax revenue collected for the month of June under paragraph 8 of section 6 of chapter 14, the comptroller shall determine the amount of actual tax revenue collected in that fiscal year available for budget in funds contributing to the consolidated net surplus, after accounting for amounts in the categories identified in the third paragraph of section 5B and transfers to the Workforce Training Fund. After such determination of actual tax revenue collected and available for budget in funds contributing to the consolidated net surplus, the comptroller shall transfer to the Commonwealth Stabilization Fund an amount equal to one half of the amount by which preliminary tax revenues available for budget exceed the amount of total tax revenues anticipated in section 1A of the general appropriation act for that fiscal year in those funds, after adjusting the general appropriation act amount for amounts in the categories identified in the third paragraph of section 5B, as well as any other tax revenue transfers, tax revenue initiatives, or tax revenue reductions identified in said section 1A of the general appropriation act that affect tax revenue available for budget; provided however, that any such transfer shall be reduced by the amount of transfers to the Stabilization Fund from tax-related judgments and settlements previously made in accordance with the third paragraph of section 2H.

*Summary:*

This section, with the preceding section, is part of the Stabilization Fund transfer initiative. This section proposes to replace the current capital gains transfer provision that appears in section 5G of chapter 29, and to propose instead that half of any taxes collected for the budget that exceed the estimates in the enacted budget for that fiscal year be transferred to the Stabilization Fund.

## **Section 22 - Sick Leave Buyback 1**

SECTION 22. Section 31A of said chapter 29, as so appearing, is hereby amended by adding the following subsection:- (e) No employee of the commonwealth shall accrue more than 1,000 hours of unused sick leave credits.

*Summary:*

This section, with two others, proposes the sick leave buyback legislation filed by the Governor during the 2015-16 session, H.4341. This section limits the accrual of unused sick time for state employees to 1,000 hours. It would also freeze the accrual of sick time for any employee who has already accrued more than 1,000 hours.

## **Section 23 - MBTA Retirement Fund Authorization**

SECTION 23. Section 1 of chapter 32 of the General Laws, as amended by section 1 of chapter 86 of the acts of 2015, is hereby further amended by adding after the word "System" in line 574 the following words:- , and the Massachusetts Bay Transportation Authority Retirement Fund shall be deemed to be a system.

*Summary:*

This section authorizes, but does not require, the Pension Reserves Investment Management Board to manage the investment of the MBTA Retirement Fund.

## **Section 24 - Service Credit Reimbursements 1**

SECTION 24. Section 3 of said chapter 32, as amended by section 2 of chapter 86 of the acts of 2015, is hereby further amended by inserting in line 915, after the word, "unit," the first time it appears, the following words:- ; provided that if the commonwealth is the first governmental unit, any payments received shall be credited to the General Fund.

*Summary:*

This section, with the next two sections, changes the current law to conform to the recent practice of transferring to the General Fund, rather than to the Pension Liability Fund, reimbursements from other governmental bodies to cover their pro rata share of former employees who ended their public service with the Commonwealth, but also served in at least one other governmental body.

## **Section 25 - Service Credit Reimbursements 2**

SECTION 25. Section 7 of said chapter 32, as appearing in the 2014 Official Edition, is hereby amended by inserting in line 224, after the word, "unit," the following words:- ; provided that if the commonwealth is the first governmental unit, any payments received shall be credited to the General Fund.

*Summary:*

This section, with the two surrounding sections, changes the current law to conform to the recent practice of transferring to the General Fund, rather than to the Pension Liability Fund, reimbursements from other governmental bodies to cover their pro rata share of former employees who ended their public service with the Commonwealth, but also served in at least one other governmental body.

## **Section 26 - Service Credit Reimbursements 3**

SECTION 26. Section 22 of said chapter 32, as amended by sections 6 and 7 of chapter 86 of the acts of 2015, is hereby further amended by inserting in line 371, after the word "fund," the following words:- or to the General Fund, as otherwise provided in those sections.

*Summary:*

This section, with the two preceding sections, changes the current law to conform to the recent practice of transferring to the General Fund, rather than to the Pension Liability Fund, reimbursements from other governmental bodies to cover their pro rata share of former employees who ended their public service with the Commonwealth, but also served in at least one other governmental body.

## **Section 27 - Pension Transfer Schedule**

SECTION 27. Subdivision (1) of section 22C of said chapter 32, as appearing in the 2014 Official Edition, is hereby amended by striking out the third paragraph.

*Summary:*

This section strikes from the General Laws, effective July 1, 2017, the now-obsolete pension funding schedule that has been in place between fiscal years 2011 and 2017.

## **Section 28 - GIC Balance Billing Protections**

SECTION 28. Section 20 of chapter 32A of the General Laws, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words, "as an indemnity plan."

*Summary:*

This section expands the balance billing protections currently available to members of the GIC indemnity plan to all of the plans offered through the Group Insurance Commission.

## **Section 29 - GIC Provider Rates**

SECTION 29. Said chapter 32A is hereby amended by inserting after section 20 the following section:-

Section 20A. (a) For purposes of this section the words insurer and administrator shall include any insurance carrier, nonprofit hospital or medical service corporation or third-party health care administrator operating within the scope of its license and providing coverage for an individual under a plan offered by the commission under section 4, 4A, 10B, 12 or 15.

(b) No insurer or administrator shall pay more than 160 per cent of the average Medicare hospital base rate, as determined by the center for health information and analysis, for inpatient and outpatient services.

(c) No insurer or administrator shall pay more than 160 per cent of the Medicare fee schedule, for physician or other services.

(d) For all services for which Medicare does not provide a rate, no insurer or administrator shall pay more than 160 per cent of the average Medicare base rate or Medicare fee schedule for a comparable service, as determined by the commission in consultation with the center for health information and analysis.

(e) No individual insured under the group insurance commission shall be denied care by any provider licensed to provide medical care in the commonwealth.

(f) The commission, in consultation with the center for health information and analysis, may review and make recommendations to revise the reimbursement rate every 3 years.

*Summary:*

This section establishes a limit on provider reimbursements for services rendered to Group Insurance Commission members.

## **Section 30 - Veteran's Tax Credit 1**

SECTION 30. Section 6 of chapter 62 of the General Laws, as most recently amended by sections 67 to 72, inclusive, of chapter 219 of the acts of 2016, is hereby further amended by adding the following subsection:-

(u)(1) A partnership, limited liability corporation, or other legal entity engaged in business in the commonwealth that (a) is not a business corporation subject to the excise under chapter 63, (b) employs not more than 100 employees, and (c) qualifies for and claims the Work Opportunity Credit, so called, allowed under the provisions of section 51 of the Code, as amended and in effect for the taxable year, for the hiring of one or more qualified veterans, shall be allowed a credit equal to \$2,000 for each

qualified veteran hired by the partnership, limited liability corporation, or other legal entity. For purposes of this section, the term "qualified veteran" shall have the same meaning as under section 51(d)(3) of the Code.

(2) To be eligible for a credit under this section, (a) the primary place of employment of the qualified veteran must be in the commonwealth, and (b) on or before the day an individual begins work, a business must have obtained the applicable certification from the department of career services or any successor agency that the individual is a qualified veteran.

(3) The credit under this section shall be attributed on a pro rata basis to the owners, partners or members of the legal entity entitled to the credit under this section, and shall be allowed as a credit against the tax due under this chapter of such owners, partners or members, in a manner determined by the commissioner.

(4) A business that is eligible for and claims the credit allowed under this section in a taxable year with respect to a qualified veteran shall be eligible for a second credit of \$2,000 in the subsequent taxable year with respect to such qualified veteran, subject to certification of continued employment during the subsequent taxable year in the manner required by the commissioner. Any credit allowed under this section shall not be transferable or refundable. Any amount of the credit allowed by this section that exceeds the tax due for a taxable year may be carried forward to any of the 3 subsequent taxable years.

*Summary:*

This section, as well as the counterpart section for corporations, proposes a tax credit for eligible businesses that hire veterans. The amount of the credit is \$2,000 for each of the first two years in which the veteran is employed.

## **Section 31 - Employer Contribution to Health Care 1**

SECTION 31. Section 2 of chapter 62C of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting in line 5, after the word "thirty-eight;" the following words:- by chapter 118J;.

*Summary:*

This section provides the Department of Revenue with the necessary authority to implement and administer the employer contribution established under chapter 118J.

## **Section 32 - 1099-K Notifications 1**

SECTION 32. Section 8 of chapter 62C, as so appearing, is hereby amended by striking out, in lines 9 and 10, the words "and state in such report" and inserting in place thereof the following words:- provided, however, that the commissioner may require additional reporting requirements that differ from those required by the federal government under the Code. Such report shall state.

*Summary:*

This section and the following section enable the Department of Revenue to implement new criteria for 1099-K notifications, allowing the Commissioner discretion to require reporting using criteria that may not match the federal criteria.

## **Section 33 - 1099-K Notifications 2**

SECTION 33. Said section 8 of said chapter 62C, as so appearing, is hereby further amended by striking out, in line 10, the word "it" and inserting in place thereof the following words:- such payor.

*Summary:*

This section and the preceding section enable the Department of Revenue to implement new criteria for 1099-K notifications, allowing the Commissioner discretion to require reporting using criteria that may not match the federal criteria.

## **Section 34 - Sales Tax Modernization: Timing Change**

SECTION 34. Said chapter 62C of the General Laws is hereby amended by inserting after section 16A the following new section:-

Section 16B. Direct Payment of Tax by Third Party Payment Processors.

- (a) For purpose of this subsection: (1) a third party payment processor is any person engaged in the business of remitting payments to vendors or operators under chapters 64G, 64H, 64I, or 64L, in association with credit card, debit card, or similar payment arrangements that compensate the vendor or operator in transactions subject to the excise under said chapters; and (2) a "vendor or operator" shall mean a business that employs 50 or more persons and is obliged to file a return under section 16.
- (b) Any vendor or operator shall, in connection with seeking payments from or through a third party payment processor, separately identify tax amounts charged in association with the excise under chapters 64G, 64H, 64I, or 64L and non-tax amounts for which payment is sought. Such separate identification shall be conducted in a manner approved by the commissioner, taking into account established industry practices to the extent practicable.
- (c) A third party payment processor receiving a request for payment from a vendor or operator shall directly pay the identified tax portion of such request to the commissioner on a daily basis, at substantially the same time that any non-tax balance is paid to the vendor or operator.
- (d) A third party payment processor shall report total payments made to the commissioner on a monthly return, in a manner provided by the commissioner, which return shall identify each vendor or operator to whom payments were made during the month and the amount of tax paid to the commissioner during the month in association with transactions with each such vendor or operator during that period.
- (e) A third party payment processor shall report to each vendor or operator on a monthly basis, in a manner provided by the commissioner, the total tax remitted to the commissioner with respect to transactions of the particular vendor or operator during the monthly period.
- (f) Tax amounts paid to the commissioner by a third party payment processor in association with the processing of transactions of a particular vendor or operator during the month shall be available as a credit to the vendor or operator in the filing of returns showing tax due under chapters 64G, 64H, 64I, or 64L, as applicable.

*Summary:*

This section requires third-party processors (predominantly credit card companies) to remit to the Commonwealth, on a daily basis, the portion of a sale that is attributable to sales tax, provided that the transaction involves a vendor or operator that employs fifty or more people. There would be no change to the current schedule for reporting and remitting the sales tax involving cash sales.

## Section 35 - Veteran's Tax Credit 2

SECTION 35. Chapter 63 of the General Laws is hereby amended by inserting after section 38FF the following new section:-

Section 38GG. Veterans Tax Credit.

- (a) A business corporation with not more than 100 employees that qualifies for and claims the Work Opportunity Credit, so called, allowed under the provisions of section 51 of the Federal Internal Revenue Code, as amended and in effect for the taxable year, for the hiring of 1 or more qualified veterans in Massachusetts, shall be allowed a credit against its excise due under this chapter in an amount equal to \$2,000 for each qualified veteran hired by the business corporation. For purposes of this section, the term "qualified veteran" shall have the same meaning as under section 51(d)(3) of such Code.
- (b) To be eligible for a credit under this section, (1) the primary place of employment of the qualified veteran must be in the commonwealth, and (2) on or before the day an individual begins work, a business corporation must have obtained the applicable certification from the department of career services or any successor agency that the individual is a qualified veteran.
- (c) In the case of a business corporation that is subject to a minimum excise under any provision of this chapter, the amount of the credit allowed by this section shall not reduce the excise to an amount less than such minimum excise.
- (d) A business corporation that is eligible for and claims the credit allowed under this section in a taxable year with respect to a qualified veteran shall be eligible for a second credit of \$2,000 in the subsequent taxable year with respect to such qualified veteran, subject to certification of continued employment during the subsequent taxable year in the manner required by the commissioner. Any credit allowed under this section shall not be transferable or refundable. Any amount of the credit allowed by this section that exceeds the tax due for a taxable year may be carried forward to any of the 3 subsequent taxable years.

*Summary:*

This section, as well as the counterpart section for individual income taxpayers, proposes a tax credit for eligible businesses that hire veterans. The amount of the credit is \$2,000 for each of the first two years in which the veteran is employed.

## Section 36 - Room Occupancy Tax Changes 1

SECTION 36. Chapter 64G of the General Laws is hereby amended by striking out sections 1 to 12, inclusive, as appearing in the 2014 Official Edition, and inserting in place thereof the following 11 sections:-

Section 1. As used in this chapter the following words shall, unless the context requires otherwise, have the following meanings:

- (a) "Bed and breakfast establishment", a private owner-occupied house where 4 or more rooms or units are let and a breakfast is included in the rent, and all accommodations are reserved in advance.
- (b) "Bed and breakfast home", a private owner-occupied house where 3 or fewer rooms or units are let and a breakfast is included in the rent, and all accommodations are reserved in advance.
- (c) "Commissioner", the commissioner of revenue.

(d) "Hosting Platform", a service through any third-party website, software, online-enabled application, mobile phone application or some other similar electronic process that allows: (i) an operator to advertise, list or offer the use of any accommodation subject to the excise under this chapter in exchange for rent; (ii) an operator to collect the payment of rent on any accommodation; and (iii) a person to arrange, book, reserve or rent an accommodation.

(e) "Hotel", any building used for the feeding and lodging of guests licensed or required to be licensed under the provisions of section 6 of chapter 140. For purposes of this chapter, (i) a "hotel" shall also include an owner-occupied or a tenant-occupied property where 1 or more rooms or units is let to an occupant or sub-occupant, all accommodations are reserved in advance, and where the owner or tenant has let, cumulatively, any room or rooms or other rental unit or units owned by such owner or tenant, for a total of 150 days or more during the previous calendar year, and (ii) a private owner-occupied house shall be considered a single unit if leased or rented as such.

(f) "Intermediary", any person or entity, other than an operator, that facilitates the sale, use or possession of an occupancy and charges a room charge to the general public. For purposes of this definition, the term "facilitates" means brokers, coordinates or in any other way arranges for the purchase, sale, use or possession of occupancies by the general public. The term "intermediary" shall also include a hosting platform and operator's agent.

(g) "Lodging house", a house where lodgings are let to 4 or more persons not within the second degree of kindred to the person conducting it, licensed or required to be licensed under section 23 of chapter 140.

(h) "Motel", any building or portion thereof, other than a hotel or lodging house, in which persons are lodged for hire with or without meals and which is licensed or required to be licensed under the provisions of section 23 B of chapter 140, or is a private club.

(i) "Occupancy", the use or possession, or the right to the use or possession, of any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel designed and normally used for sleeping and living purposes, or the right to the use or possession of the furnishings or the services and accommodations, including breakfast in a bed and breakfast establishment, accompanying the use and possession of such room or rooms, for a period of 90 consecutive calendar days or less, regardless of whether such use and possession is as a lessee, tenant, guest or licensee.

(j) "Occupant", a person who, for rent, uses, possesses or has a right to use or possess, any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel under any lease, concession, permit, right of access, license or agreement.

(k) "Operator", any person operating a bed and breakfast establishment, hotel, lodging house or motel in the commonwealth including, but not limited to, the owner or proprietor of such premises, the lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating such bed and breakfast establishment, hotel, lodging house or motel.

(l) "Operator's agent", a person including, but not limited to, a property manager, property management company or real estate agent who on behalf of an operator of a bed and breakfast establishment or lodging house: (i) manages the operation or upkeep of a property offered for rent; or (ii) books reservations at a property offered for rent.

(m) "Person", includes an individual, partnership, trust or association, with or without transferable shares, joint-stock company, corporation, society, club, organization, institution, estate, receiver, trustee, assignee or referee and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, or any combination of individuals acting as a unit.



(n) "Rent", the total consideration paid by or on behalf of an occupant to (i) an operator or (ii) an intermediary collecting and remitting the excise on behalf of an operator under section 10, for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature and also any amount for which credit is allowed by the operator to the occupant without any deduction therefrom whatsoever.

Section 2. The provisions of this chapter shall not be construed to include (a) lodging accommodations at federal, state or municipal institutions; (b) lodging accommodations, including dormitories, at religious, charitable, educational and philanthropic institutions; provided, however, that this exemption shall not apply to accommodations provided by any such institution at a hotel or motel generally open to the public and operated by the institution; (c) privately owned and operated convalescent homes or homes for the aged, infirm, indigent or chronically ill; (d) religious or charitable homes for the aged, infirm, indigent or chronically ill; (e) summer camps for children eighteen years of age or under or developmentally disabled individuals; provided, however, that such summer camp which offers its facilities off-season to individuals sixty years of age or over for a period not to exceed 30 days in any calendar year shall not lose its exemption hereunder; and (f) a bed and breakfast home.

For the purposes of this section a developmentally disabled individual shall mean an individual who has a severe chronic disability which:

(A) is attributable to a mental or physical impairment or combination of mental and physical impairments;

(B) is likely to continue indefinitely;

(C) results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care; (ii) receptive and expressive language; (iii) learning; (iv) mobility; (v) self-direction; (vi) capacity for independent living; and (vii) economic self-sufficiency; and

(D) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

Section 3. An excise is hereby imposed upon the transfer of occupancy of any room or rooms in a bed and breakfast establishment, hotel, lodging house, or motel in this commonwealth by any operator at the rate of 5 per cent of the total amount of rent for each such occupancy. No excise shall be imposed if the total amount of rent is less than \$15 per day or its equivalent.

The operator shall pay the excise to the commissioner at the time provided for filing the return required by section 16 of chapter 62C.

Section 3A. Any city or town which accepts the provisions of this section shall be authorized to impose a local excise tax upon the transfer of occupancy of any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel located within such city or town by any operator at a rate up to, but not exceeding, 6 per cent of the total amount of rent for each such occupancy; provided, however, that the city of Boston is hereby authorized to impose such local excise upon the transfer of occupancy of any room in a bed and breakfast establishment, hotel, lodging house or motel located within said city by any operator at the rate of up to but not exceeding 6.5 per cent of the total amount of rent of each such occupancy. No excise shall be imposed if the total amount of rent is less than \$15 per day or its equivalent or if the accommodation is exempt under the provisions of section 2 of this chapter. The operator shall pay the local excise tax imposed under the provisions of this section to the commissioner at the same time and in the same manner as the excise tax due the commonwealth. All sums received by the commissioner under this section as excise, penalties or forfeitures, interest, costs of suit and fines shall at least quarterly be distributed, credited and paid by the state treasurer upon

certification of the commissioner to each city or town that has adopted the provisions of this section in proportion to the amount of such sums received from the transfer of occupancy in each such city or town. This section shall only take effect in a city or town accepting the provisions of this section by a majority vote of the city council with the approval of the mayor, in the case of a city with a Plan A, Plan B, or Plan F charter; by a majority vote of the city council, in the case of a city with a Plan C, Plan D, or Plan E charter; by a majority vote of the annual town meeting or a special meeting called for the purpose, in the case of a municipality with a town meeting form of government; or by a majority vote of the town council, in the case of a municipality with a town council form of government. The provisions of this section shall take effect on the first day of the calendar quarter following 30 days after such acceptance, or on the first day of such later calendar quarter as the city or town may designate. The city or town, in accepting the provisions of this section, may not revoke or otherwise amend the applicable local tax rate more often than once in any 12 month period.

The commissioner shall make available to any city or town requesting such information the total amount of room occupancy tax collected in the preceding fiscal year in the city or town requesting the information.

Section 4. Except as provided in section 10, reimbursement for the excise hereby imposed shall be paid by the occupant of such room or rooms to the operator and each operator in this commonwealth shall add to the rent and shall collect from the occupant the full amount of the excise imposed by this chapter, or an amount equal as nearly as possible or practical to the average equivalent thereof; and such excise shall be a debt from the occupant to the operator, when so added to the rent, and shall be recoverable at law in the same manner as other debts.

Section 5. The amount of the excise collected by the operator from the occupant under the provisions of this chapter shall be stated and charged separately from the rent and shown separately on any record thereof at the time the transfer of occupancy is made, or on any evidence of such transfer issued or used by the operator.

Section 6. No person shall operate a bed and breakfast establishment, hotel, lodging house or motel in this commonwealth unless a certificate of registration has been issued to him in accordance with section 67 of chapter 62C.

Section 7. Any operator who has paid to the commissioner an excise under section 3 upon an account later determined to be worthless shall be entitled to an abatement of the excise paid on such worthless account. Such claim for abatement shall be filed on or before April 15 of each year, covering the amount of the excise on such accounts determined to be worthless in the prior calendar year.

Any operator who shall recover an excise on an account previously determined to be worthless, for which an application for abatement has been filed, shall report and include the same in his monthly return at the time of recovery.

Section 8. Every operator who fails to pay to the commissioner any sums required to be paid by this chapter shall be personally and individually liable therefor to the commonwealth. The term "operator", as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership or a limited liability company, who as such officer, employee or member is under a duty to pay over the taxes imposed by this chapter.

An operator who misrepresents to an intermediary that the transfer of occupancy of the operator's property is exempt from the excise imposed under section 3 and section 3A shall be liable for any unpaid excise under these sections and shall have committed an unfair trade practice under chapter 93A in making such a misrepresentation to the intermediary.

Section 9. No excise shall be imposed, pursuant to this chapter, upon the transfer of occupancy of any room or rooms in a hotel, lodging house or motel if the occupant is an employee of the United States

military traveling on official United States military orders which encompass the date of said occupancy. Each operator shall maintain such records as the commissioner shall require to substantiate exemptions claimed under this section.

Section 10. (a) An operator may elect to allow an intermediary to collect rent or facilitate the collection or payment of rent on their behalf through a written agreement on an accommodation subject to the excise under this chapter. An intermediary that enters into a written agreement with the operator to collect rent or facilitate the collection or payment of rent on behalf of the operator on an accommodation subject to the excise under this chapter shall: (i) apply for and obtain a certificate of registration from the commissioner in accordance with section 67 of chapter 62C on behalf of the operator; and (ii) assess, collect, report and remit the excise to the commissioner as described for operators in sections 3, 3A, 5, 7, 8 and 9. The certificate of registration obtained from the commissioner under this subsection shall identify and be in the name of the individual operator, not the intermediary.

(b) An intermediary collecting and remitting the excise on behalf of an operator shall provide notification within a reasonable time to the operator that the excise has been collected and remitted to the commissioner under section 3. The notification may be delivered in-hand or by mail or conveyed by electronic message, mobile or smart phone application or some other similar electronic process, digital media or communication portal. An operator shall not be responsible for collecting and remitting the excise on any transaction for which it has received notification from an intermediary that the excise has been collected and remitted to the commissioner on their behalf.

(c) The commissioner may enter into a voluntary collection agreement with an intermediary required to remit the excise under subsection (a) who is willing to assume liability for the collection and remittance of the excise imposed under this chapter on behalf of the operators that the intermediary represents. The intermediary shall not be liable for any faults in collecting or remitting the excise caused by the hosting platform's or operator's agent's reasonable reliance on representations made to it by the operator about the nature of the property being rented, the duration of the occupancy or other similar misrepresentations made by the operator to the hosting platform or operator's agent. The operator shall be liable for any unpaid excise resulting from any such misrepresentations. An intermediary shall not be liable for any over collection of the excise if the excise collected was remitted to the commissioner and if the over collection resulted from the intermediary's reasonable reliance on the operator's representations about the nature of the property being rented, about the nature of the occupancy or whether such property was exempt from the excise. The operator shall be liable for any monetary damages to the occupant resulting from any such misrepresentations.

The commissioner may promulgate rules or regulations for the assessing, reporting, collecting, remitting and enforcement of the room occupancy excise under this section.

*Summary:*

This collection of proposed amendments to Chapter 64G will level the playing field in the accommodations industry by obligating those individuals or businesses who are, in effect, running hotel-like businesses to collect and remit the room occupancy tax. The existing occupancy tax (state level of 5.7%) will be applied to any provider of transient accommodations who provides 150 days or more of accommodation in a given calendar year. That property operator would be required to register with DOR, and to collect and remit occupancy tax in the following calendar year. The amendments would also authorize an intermediary to collect and remit the occupancy tax on behalf of an operator under an agreement with the Commissioner of Revenue.

In addition, under a separate section, the Commissioner of Revenue would be authorized to enter into agreements with intermediaries serving the transient accommodation market, for the collection of occupancy tax on behalf of all property owners the intermediary may represent.

### **Section 37 - Laboratory Analysis of Cocaine**

SECTION 37. Section 31 of chapter 94C of the General Laws, as amended by section 30 of chapter 52 of the acts of 2016, is hereby further amended by striking out clause (4) of paragraph (a) of Class B and inserting in place thereof the following clause:- (4) Coca leaves, and the salts, optical and geometric isomers and salts of isomers, excluding coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives of ecgonine or their salts have been removed; of cocaine, ecgonine, pseudococaine, allococaine and pseudoallococaine, their derivatives, their salts, isomers and salts of their isomers; or any compound, mixture, or preparation which contains any quantity of any of the substances referred to in this paragraph.

*Summary:*

Current law defines cocaine as coming from a plant, requiring the State Police lab to conduct a separate test to confirm that each sample of cocaine it analyzes is not synthetically produced. This section brings our statutory definition of cocaine in line with that of the majority of states, eliminating the need for that separate test and realizing associated cost, time and resource savings at the lab.

### **Section 38 - Fentanyl Trafficking Enforcement**

SECTION 38. Section 32E of chapter 94C of the General Laws is hereby amended by striking out subsection (c1/2), as inserted by chapter 136 of the acts of 2015, and inserting in place thereof the following subsection:-

(c1/2) Any person who trafficks in fentanyl, by knowingly or intentionally manufacturing, distributing, dispensing or possessing with intent to manufacture, distribute or dispense or by bringing into the commonwealth a net weight of 10 grams or more of any mixture containing fentanyl or a derivative of fentanyl shall be punished by a term of imprisonment in state prison for not more than 20 years.

*Summary:*

This section amends the definition of fentanyl trafficking to parallel the definitions of other trafficking statutes and eliminates the requirement that the Commonwealth prove the purity of a substance containing fentanyl in a fentanyl trafficking prosecution. As the State Police lab does not test suspected controlled substances for purity, this section would eliminate the need to outsource purity testing to a private lab.

### **Section 39 - Home Health Agency Licensure**

SECTION 39. Chapter 111 of the General Laws is hereby amended by inserting after section 51J the following section:-

**Section 51K. Licensure of Home Health Agencies**

(a) For the purposes of this section, "home health agency" shall mean an agency or organization that provides skilled nursing services and other therapeutic services in a patient's home, with supervision of these services provided by a physician or registered nurse. For purposes of this section, "home health agency" shall not include a home health agency operated by the federal government or the commonwealth.

(b) Unless otherwise expressly permitted by the department, no person or entity shall provide home health services, use the words "home health" to describe its services, or establish, maintain, operate, or

hold itself out as a home health agency without a home health agency license issued by the department.

(c) The department shall issue for a term of 2 years and renew for a like term a license to maintain a home health agency to any organization it considers responsible and suitable to maintain such an agency. Home health agency licenses shall be subject to suspension, revocation or refusal to renew for cause. Any fee for original application and renewal of the license shall be established pursuant to section 3B of chapter 7.

The department may impose a fine of up to \$10,000 on anyone who advertises, announces, establishes, maintains, or is concerned in establishing or maintaining a home health agency without a license granted by the department, or who being licensed under this section violates any provision of this section or any rule or regulation promulgated thereunder. Each day during which such failure or refusal to comply continues shall constitute a separate offense. The department may conduct surveys and investigations to enforce compliance with this section and rules and regulations promulgated thereunder.

(d) A home health agency certified for participation in Medicare or Medicaid shall be deemed to meet the requirements of the original licensure application, and the department may approve such an application upon a finding of responsibility, suitability, and other licensure requirements as determined by the department. Nothing in this subsection shall be construed to limit the authority of the department to suspend, revoke, or refuse to renew a license, to require a fee, to impose a fine, or to conduct surveys and investigations pursuant to subsection (c) of this section.

(e) The department shall, subject to appropriation, promulgate rules and regulations to implement this section.

*Summary:*

This section authorizes the Department of Public Health to license home health agencies.

## Section 40 - Public Health Data 1

SECTION 40. Said chapter 111 is hereby further amended by adding the following section:-

Section 236. The commissioner may conduct examinations to analyze population health trends over time and to determine priorities for the reduction of morbidity and mortality in the commonwealth. All resulting reports shall provide data in an aggregate and de-identified format.

In order to conduct such examinations, the commissioner may assemble and maintain necessary data and systems. The commissioner shall develop policies and procedures for the governance of such data and systems, which shall include provisions for confidentiality and security.

Notwithstanding any general or special law to the contrary, the commissioner shall request, and the center for health information analysis and the offices and agencies within the executive office of health and human services shall provide, information necessary to conduct such examinations, provided that the provision of such information is consistent with federal law. Notwithstanding any general or special law to the contrary, the commissioner may request from any office or agency within the executive branch or judicial branch, and any office or agency may provide, information necessary to conduct examinations, provided that the provision of such information is consistent with federal law.

All information or data provided or accessed under this section shall be confidential, shall not be used to identify any individual and shall be used solely for the conduct of examinations pursuant to this section. Such information or data shall be exempt from disclosure of public records under section 10 of

chapter 66 and shall not be subject to subpoena or discovery, or admissible as evidence in any action of any kind in any court or before any other tribunal, board, agency or person.

The commissioner may promulgate regulations to implement the provisions of this section.

*Summary:*

This section authorizes the Department of Public Health to assemble public health data from other governmental agencies to examine an expanded set of public health issues.

### **Section 41 - Nursing Facility Assessment**

SECTION 41. Subsection (b) of section 63 of chapter 118E of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The assessment shall be sufficient in the aggregate to generate in each fiscal year the lesser of \$240,000,000, or an amount equal to 6 percent of the revenues received by the taxpayer, as the term "revenues received by the taxpayer" is defined in 42 C.F.R. § 433.68(F)(3)(i)(A).

*Summary:*

This section authorizes MassHealth to increase the current nursing facilities assessment up to the maximum amount allowed under federal law, but not more than \$240 million, in order to support higher nursing home payments.

### **Section 42 - Hospital Assessment 2**

SECTION 42. Section 64 of chapter 118E of the General Laws, as amended by section 6 of chapter 115 of the acts of 2016, is hereby further amended by inserting after the definition of "Ambulatory surgical center services," the following definition:-  
"Assessed charges", gross patient service revenue attributable to all patients less gross patient service revenue attributable to Titles XVIII and XIX.

*Summary:*

This section defines "assessed charges" for the purposes of calculating a hospital's liability under the non-acute care hospital assessment.

### **Section 43 - Hospital Assessment 3**

SECTION 43. Subsection (b) of section 66 of said chapter 118E, as most recently amended by section 139 of chapter 133 of the acts of 2016, is hereby further amended by striking out the first 3 sentences and inserting in place thereof the following 3 sentences:-

The fund shall consist of: (i) all amounts paid by acute hospitals and surcharge payors under sections 67 and 68; (ii) all appropriations for the purpose of payments to acute hospitals or community health centers for health services provided to uninsured and underinsured residents; (iii) any transfers from the Commonwealth Care Trust Fund, established under section 2000 of chapter 29; (iv) all amounts paid by privately-owned, non-federal hospitals under subsection (b) of section 67 and (v) all property and securities acquired by and through the use of monies belonging to the fund and all interest thereon. The office shall transfer \$257,500,000 to the MassHealth Delivery System Reform Trust Fund established in section 2SSSS of said chapter 29 and shall transfer an amount equal to all amounts paid by privately-owned, non-federal hospitals under subsection (b) of section 67 to the Non-Acute Care

Hospital Reimbursement Trust Fund established in section 2WWWW of said chapter 29. The office shall expend amounts in the fund, except for amounts transferred to the Commonwealth Care Trust Fund, the MassHealth Delivery System Reform Trust Fund or the Non-Acute Care Hospital Reimbursement Trust Fund, for payments to hospitals and community health centers for reimbursable health services provided to uninsured and underinsured residents, consistent with the requirements of this section, section 69 and the regulations adopted by the office.

*Summary:*

This section directs the transfer of revenues received from the non-acute care hospital assessment from the Health Safety Net Trust Fund to the new Non-Acute Care Hospital Reimbursement Trust Fund to support increased Medicaid reimbursements to non-acute care hospitals.

## **Section 44 - Hospital Assessment 4**

SECTION 44. Said subsection (b) of said section 66 of said chapter 118E, as amended by section 43 of this act, is hereby further amended by striking out the first 2 sentences and inserting in place thereof the following 2 sentences:-

The fund shall consist of: (i) all amounts paid by acute hospitals and surcharge payors under sections 67 and 68; (ii) all appropriations for the purpose of payments to acute hospitals or community health centers for health services provided to uninsured and underinsured residents; (iii) any transfers from the Commonwealth Care Trust Fund, established under section 2000 of chapter 29; (iv) all amounts paid by privately-owned, non-federal hospitals under subsection (b) of section 67 and (v) all property and securities acquired by and through the use of monies belonging to the fund and all interest thereon. The office shall transfer an amount equal to all amounts paid by privately-owned, non-federal hospitals under subsection (b) of section 67 to the Non-Acute Care Hospital Reimbursement Trust Fund established in section 2WWWW of said chapter 29. The office shall expend amounts in the fund, except for amounts transferred to the Commonwealth Care Trust Fund, the MassHealth Delivery System Reform Trust Fund or the Non-Acute Care Hospital Reimbursement Trust Fund, for payments to hospitals and community health centers for reimbursable health services provided to uninsured and underinsured residents, consistent with the requirements of this section, section 69 and the regulations adopted by the office.

*Summary:*

This section serves the same purpose as Hospital Assessment 3, but is necessary to take into account the fact that the increased acute hospital assessment used to fund the Delivery System Transformation Incentives will no longer be in effect after September 30, 2022.

## **Section 45 - Hospital Assessment 5**

SECTION 45. Said chapter 118E, as appearing in the 2014 Official Edition, is hereby amended by striking out section 67 and inserting in place thereof the following section:-

Section 67. (a) An acute hospital's liability to the fund shall equal the product of: (i) the ratio of its assessed charges to all acute hospitals' assessed charges; and (ii) the total acute hospital assessment amount. Annually, before October 1, the office shall establish each acute hospital's liability to the fund using the best data available, as determined by the health safety net office and shall update each acute hospital's liability to the fund as updated information becomes available. The office shall specify by regulation an appropriate mechanism for interim determination and payment of an acute hospital's liability to the fund. An acute hospital's liability to the fund shall in the case of a transfer of ownership be assumed by the successor in interest to the acute hospital.

(b) There shall be imposed in each fiscal year a uniform assessment upon the assessed charges of all (i) non-public hospitals licensed by the department of public health under section 51 of chapter 111, but

not categorized as "acute care hospitals" under section 25B of said chapter 111, and (ii) non-public hospitals licensed as "inpatient facilities" by the department of mental health under section 19 of chapter 19 and regulations promulgated thereunder, but not categorized as Class VII licensees under said regulations; provided that, such uniform assessment shall be set as a percentage of the assessed charges of each such hospital and, for each fiscal year, the percentage shall be equal to the ratio of (i) the "Total acute hospital assessment amount" as defined in section 64 of chapter 118E, for the same fiscal year, to (ii) the total "assessed charges" as defined in said section 64 of said chapter 118E, of acute care hospitals in the same fiscal year and as the amount of those charges is determined by the health safety net office under section 67 of said chapter 118E. A non-acute hospital's liability to the fund shall in the case of a transfer of ownership be assumed by the successor in interest to the acute hospital.

(c) The office shall establish by regulation an appropriate mechanism for enforcing each hospital's liability to the fund in the event that a hospital does not make a scheduled payment to the fund.

*Summary:*

This section expands the acute hospital assessment so that it applies to all hospital charges, except Medicaid and Medicare charges, and specifies a uniform non-acute care hospital assessment.

## **Section 46 - Employer Contribution to Health Care 2**

SECTION 46. The General Laws are hereby amended by inserting after chapter 118I the following chapter: -

CHAPTER 118J

EMPLOYER CONTRIBUTION TO HEALTH CARE

Section 1. As used in this chapter, the following words, unless the context clearly requires otherwise, shall have the following meanings:

"Commissioner", the commissioner of revenue.

"Employee", an individual employed, either on a full or part-time basis, by an employer for at least 1 month, provided that for the purpose of this section self-employed individuals shall not be considered employees.

"Employer contribution rate", an amount equal to \$2,000 per full-time equivalent employee per year provided such rate shall be adjusted annually in accordance with the United States Department of Labor New England consumer price index percentage change rate.

"Minimum qualified offer", an employer must offer to employees working over 35 hours per week (1) \$4,950 per year to an employer sponsored group health insurance plan or (2) an amount established by the department of revenue in consultation with the participating agencies, to a QSEHRA or other defined contribution vehicles. The amount necessary to qualify as a minimum qualified offer may be adjusted annually in accordance with the United States Department of Labor New England consumer price index percentage change rate.

"Participating agencies", includes the executive office of health and human services, the commonwealth health insurance connector authority, the department of revenue, the department of unemployment assistance, the division of insurance, and the center for health information and analysis.

"QSEHRA", a Qualified Small Employer Health Reimbursement Arrangement as set forth in section 9831 of the Internal Revenue Code of 1986, as amended by Title XVIII of the 21st Century Cures Act.

"Total full-time equivalent employees", equals the number of hours worked in a quarter by all employees who have been employed by the employer for at least one month, not to exceed 500 hours per employee, divided by 500 hours. In the event an employer does not report hours for its employees, each employee's hours shall be deemed to be 500 hours in the quarter.

"Uptake rate", equals the total number of employees who are enrolled in the employer's employer sponsored group health insurance plan, or who are enrolled in a health insurance plan funded using an employer's contribution to a QSEHRA or a defined contribution vehicle, divided by the employer's total full time equivalent employees.



Section 2. The total employer contribution of each employer that employs 11 or more full-time equivalent employees in the commonwealth shall be determined as follows:

- 1) For each quarter, if an employer does not make any contribution or makes a contribution less than the minimum qualified offer then the employer shall be assessed one quarter of the employer contribution rate multiplied by the employer's total full-time equivalent employees
- 2) For each quarter, if an employer makes a minimum qualified offer but has a less than 80 per cent uptake rate, the employer contribution shall be one quarter of the employer contribution rate multiplied by the product of the difference between 80 per cent and the employer's uptake rate times the total full-time equivalent employees.
- 3) For each quarter, the employer contribution shall be zero if the employer makes a minimum qualified offer and has an uptake rate of greater than, or equal to, 80 per cent.

Section 3. This chapter shall be administered by the commissioner pursuant to chapter 62C.

Section 4. Unless otherwise specified by the commissioner, employers shall file quarterly returns with the commissioner declaring the amount of their liability under this chapter, or claiming exemption therefrom, and shall pay over such amounts to the commissioner. Such returns shall be filed and payments shall be made in the form, manner and at the times determined by the commissioner and the returns shall provide such information as the commissioner may require.

Section 5. Notwithstanding any provision of any general or special law to the contrary, participating agencies may disclose and share information, including personal data, as defined in section 1 of chapter 66A, and return information subject to section 21 of chapter 62C, to the extent necessary for the administration of this chapter and consistent with applicable federal law, provided that return information under this chapter shall not be public record and provided that the confidentiality rules of section 21 of chapter 62C shall otherwise apply to return information under this chapter.

Section 6. The commissioner, in consultation with the participating agencies, may promulgate regulations or other guidance necessary to implement this section.

*Summary:*

This section establishes a \$2,000 employer contribution for those employers that do not offer minimum health insurance coverage to their employees, as defined by this section.

## **Section 47 - MASAC Transfer 1**

SECTION 47. Section 35 of chapter 123 of the General Laws, as amended by chapter 8 of the acts of 2016, is hereby further amended by inserting in the fifth paragraph, after the words, "the Massachusetts correctional institution at Bridgewater," the following words:- or such other facility as designated by the Commissioner of Correction.

*Summary:*

This section and the following section provide flexibility by allowing the Department of Correction (DOC) to locate the Massachusetts Alcohol and Substance Abuse Center for treating men committed under General Laws Chapter 123, Section 35 at any DOC facility designated by the Commissioner of Correction rather than requiring that the facility be located at MCI Bridgewater.

## **Section 48 - MASAC Transfer 2**

SECTION 48. Said section 35 of said chapter 123, as so amended, is hereby further amended by striking out the sixth paragraph, as inserted by section 4 of chapter 8 of the acts of 2016, and inserting in place thereof the following paragraph:- Nothing in this section shall preclude a facility, including the Massachusetts correctional institution at Bridgewater or such other facility as designated by the Commissioner of Correction, from treating persons on a voluntary basis.

*Summary:*

This section and the preceding section provide flexibility by allowing the Department of Correction (DOC) to locate the Massachusetts Alcohol and Substance Abuse Center for treating men committed under General Laws Chapter 123, Section 35 at any DOC facility designated by the Commissioner of Correction rather than requiring that the facility be located at MCI Bridgewater.

## **Section 49 - MassDOT/MBTA Cost Recovery 2**

SECTION 49. Section 5 of chapter 161A of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by inserting in line 15, after the word, "estate," the following words:- that is worth more than \$100,000,.

*Summary:*

Current law requires that for any sale of real estate greater than \$5,000, the MBTA must complete a competitive bidding process, even if the costs of complying with that process exceed the fair market value of the property. This section raises the property value threshold to a point where a competitive bidding process is cost-effective.

## **Section 50 - Health Care Affordability 1**

SECTION 50. Chapter 175 of the General Laws is hereby amended by adding the following new section:-

Section 229. Approval of Contracts

(a) The subscriber contracts, rates and evidence of coverage for health benefit plans shall be subject to the disapproval of the commissioner. No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable.

(b) Except for coverage under a Medicare Part C arrangement or under the MassHealth program, for all insured health benefit plan rates intended to be effective on and after July 1, 2018, the carrier's health benefit plan rates are to be filed with the commissioner and considered presumptively disapproved as excessive, and subject to a mandatory rate hearing, if the carrier's network provider reimbursement rates are not set in accordance with the following requirements established by the division of insurance (in this section, the "division"), in consultation with the executive office of health and human services and the center for health information and analysis:

1) Acute Hospitals: the weighted average rate of reimbursement for inpatient and outpatient services for contracting network acute hospitals is reviewed in relation to the average Medicare hospital rate for the service and assigned to one of three tiers and the weighted average rate of reimbursement

change for a hospital in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;

2) Professional Services: the weighted average rate of reimbursement for services delivered by non- primary care and non- behavioral health providers is reviewed in relation to the weighted average Medicare fee schedule for the service and the provider is assigned to one of three tiers, and the average weighted rate of reimbursement change for a provider in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the average weighted rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;

(c) Notwithstanding the generality of paragraphs (1) and (2) above, the division, in consultation with the executive office of health and human services and the center for health information and analysis, shall establish a methodology for assigning providers to an appropriate tier if the provider does not receive sufficient Medicare reimbursement due to the services the provider delivers.

(d) The division, in consultation with the executive office of health and human services, may review and make recommendations to revise the growth rates established in this section every 3 years.

(e) The health benefit plan weighted average rates of reimbursement for services delivered by primary care providers and behavioral health providers are exempt from, and shall not be impacted by, the provisions of subsection (b) of this section.

(f) In preparing rates, carriers may exercise flexibility in the administration of the growth rate restrictions set forth in subsection (b) provided that they do so in a nondiscriminatory manner that is consistent with regulations promulgated by the division.

(g) Notwithstanding the provisions of subsection (b) of this section, if a provider that has an alternative payment contract such as an accountable care organization or other value based payment arrangement with the carrier that includes both significant downside risk and significant participation from the carrier's enrollees, based on minimum standards established by the division, in consultation with the executive office of health and human services, then the carrier, when developing its health benefit plan rates, may allow for up to a 1 per cent higher increase in the average weighted rate of reimbursement for that provider than is permitted under subsection (b) of this section.

(h) The division, in consultation with the executive office of health and human services, shall establish standards for eliminating administrative facility fees for services provided in clinics, including but not limited to satellite clinics operating under a hospital license. Notwithstanding the generality of the foregoing, the division may promulgate regulations that allow for administrative facility fees under appropriate circumstances. Rates will be presumptively disapproved if carriers have any arrangement with a provider that allows the carrier to pay for an administrative facility fee inconsistent with such standards or which permits the provider to balance bill a covered member for any such administrative facility fees. The division, in consultation with executive office of health and human services, shall also establish requirements that carriers reinvest a portion of the savings into higher rates of

reimbursement for standalone professional services including, but not limited to, primary care or behavioral health services or into reduced premiums for health benefit plan members.

(i) To the extent that this section is inconsistent with the provisions of chapter 176K, and any regulations promulgated thereunder, Medicare supplemental insurance plans as defined in said chapter 176K shall be subject to the provisions of said chapter 176K.

(j) The division, in consultation with the executive office of health and human services and the center for health information and analysis, shall promulgate regulations to implement the provisions of this section.

*Summary:*

This is one of four sections that establish tiered caps on the rate of growth for all acute hospitals and professional service providers, except behavioral health and primary care providers. These sections also authorize the Division of Insurance and the Executive Office of Health and Human Services to establish standards for eliminating administrative facility fees and requiring health plans to reinvest savings into reduced premiums for consumers or higher rates for professional services, including behavioral health and primary care services.

## **Section 51 - Health Care Affordability 2**

SECTION 51. Chapter 176A of the General Laws is hereby amended by striking out section 6, as appearing in the 2014 Official Edition, and inserting in place thereof the following section:-

**Section 6. Approval of nongroup contracts**

(a) Nongroup contracts, except contracts providing supplemental coverage to Medicare subject to the provisions of chapter 176K, issued and rates charged by nonprofit hospital service corporations to its subscribers for hospital care and reimbursement for other health services shall be subject to the provisions of chapter 176M, and any regulations promulgated thereunder. To the extent that this section is inconsistent with the provisions of chapter 176K or chapter 176M, and any regulations promulgated thereunder, Medicare supplement insurance plans as defined in said chapter 176K shall be subject to the provisions of said chapter 176K, and non-group agreements shall be subject to chapter 176M.

(b) The subscriber contracts, rates and evidence of coverage shall be subject to the disapproval of the commissioner of insurance (in this section, the "commissioner"). No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, nor if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable.

(c) The commissioner shall require every such corporation to keep its books, records, statistics, accounts and vouchers in such manner that he or his authorized representatives may readily verify its annual statements and ascertain whether the corporation has complied with the law.

(d) At least once in 3 years, and whenever he determines it to be prudent, he shall personally, or by his deputy or examiner, visit each non-profit hospital service corporation and thoroughly inspect and examine its affairs to ascertain its financial condition, its ability to fulfill its obligations, whether it has complied with the law, and any other facts relating to its business methods and management, and the equity of its dealings with its subscribers.

(e) A report of examination of any corporation made under this section shall as far as material and relevant be admitted in the discretion of the court in any judicial proceedings brought by or in behalf of the commissioner or any subscriber, non-profit hospital service corporation or other person as evidence

tending to prove the facts stated in such report, but nothing in this paragraph shall be construed to require the commissioner to make an examination under this section before bringing such a proceeding.

(f) The commissioner may investigate, in such manner and to such extent as he may deem expedient, any complaint under any subscriber's contract.

(g) Except for coverage under a Medicare Part C arrangement or under the MassHealth program, for all insured health benefit plan rates intended to be effective on and after July 1, 2018, the carrier's health benefit plan rates are to be filed with the commissioner and considered presumptively disapproved as excessive, and subject to a mandatory rate hearing, if the carrier's network provider reimbursement rates are not set in accordance with the following requirements established by the division of insurance (in this section, the "division"), in consultation with the executive office of health and human services and the center for health information and analysis:

1) Acute Hospitals: the weighted average rate of reimbursement for inpatient and outpatient services for contracting network acute hospitals is reviewed in relation to the average Medicare hospital rate for the service and assigned to one of three tiers and the weighted average rate of reimbursement change for a hospital in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;

2) Professional Services: the weighted average rate of reimbursement for services delivered by non- primary care and non- behavioral health providers is reviewed in relation to the weighted average Medicare fee schedule for the service and the provider is assigned to one of three tiers, and the average weighted rate of reimbursement change for a provider in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;

(h) Notwithstanding the generality of paragraphs (1) and (2) above, the division, in consultation with the executive office of health and human services and the center for health information and analysis, shall establish a methodology for assigning providers to an appropriate tier if the provider does not receive sufficient Medicare reimbursement due to the services the provider delivers.

(i) The division, in consultation with the executive office of health and human services, may review and make recommendations to revise the growth rates established in this section every 3 years.

(j) The health benefit plan weighted average rates of reimbursement for services delivered by primary care providers and behavioral health providers are exempt from, and shall not be impacted by, the provisions of subsection (g) of this section.

(k) In preparing rates, carriers may exercise flexibility in the administration of the growth rate restrictions set forth in subsection (g) provided that they do so in a nondiscriminatory manner that is consistent with regulations promulgated by the division.

(l) Notwithstanding the provisions of subsection (g) of this section, if a provider that has an alternative payment contract such as an accountable care organization or other value based payment arrangement with the carrier that includes both significant downside risk and significant participation from the carrier's enrollees, based on minimum standards established by the division, in consultation with the executive office of health and human services, then the carrier, when developing its health benefit plan rates, may allow for up to a 1 per cent higher increase in the average weighted rate of reimbursement for that provider than is permitted under subsection (g) of this section.

(m) The division, in consultation with the executive office of health and human services, shall establish standards for eliminating administrative facility fees for services provided in clinics, including but not limited to satellite clinics operating under a hospital license. Notwithstanding the generality of the foregoing, the division may promulgate regulations that allow for administrative facility fees under appropriate circumstances. Rates will be presumptively disapproved if carriers have any arrangement with a provider that allows the carriers to pay for an administrative facility fee inconsistent with such standards or which permits the provider to balance bill a covered member for any such administrative facility fees. The division, in consultation with the executive office of health and human services, shall also establish requirements that carriers reinvest a portion of the savings into higher rates of reimbursement for standalone professional services including, but not limited to, primary care or behavioral health services or into reduced premiums for health benefit plan members.

(n) The division, in consultation with the executive office of health and human services and the center for health information and analysis, shall promulgate regulations to implement the provisions of this section.

*Summary:*

This is one of four sections that establish tiered caps on the rate of growth for all acute hospitals and professional service providers, except behavioral health and primary care providers. These sections also authorize the Division of Insurance and the Executive Office of Health and Human Services to establish standards for eliminating administrative facility fees and requiring health plans to reinvest savings into reduced premiums for consumers or higher rates for professional services, including behavioral health and primary care services.

### **Section 52 - Health Care Affordability 3**

SECTION 52. Chapter 176B of the General Laws is hereby amended by striking out section 4, as so appearing, and inserting in place thereof the following section:-

Section 4. Contracts for medical, chiropractic, visual, surgical, and other health services; approval, subscription certificates; classification of risks

(a) Any medical service corporation may enter into contracts with its subscribers, and with participating physicians, chiropractors, nurse midwives, optometrists, dentists, podiatrists, psychologists, licensed independent clinical social workers, certified clinical specialist in psychiatric and mental health nursing and other providers of health services licensed under the laws of the commonwealth for such medical, chiropractic, visual, surgical, midwifery, mental health and other health services as may lawfully be rendered by them to subscribers and their dependents and shall make payment for such services either, or directly to participating providers or to nonparticipating providers if the subscriber is covered by a Preferred Provider Organization, as provided for in this chapter. The form of any and all agreements with such participating physicians, chiropractors, nurse midwives, optometrists, dentists, podiatrists, psychologists, licensed independent clinical social workers, certified clinical specialist in psychiatric and mental health nursing and other providers of health services shall at all times be subject to the written approval of the commissioner, but no

participating provider shall be denied the right to enter into any agreement with any medical service corporation by reason of any unfair or arbitrary discrimination. The methods of compensating such physicians, chiropractors, nurse midwives, optometrists, dentists, podiatrists, psychologists, licensed independent clinical social workers, certified clinical specialist in psychiatric and mental health nursing and other providers of health services for their services to subscribers, or covered dependents shall at all times be subject to the written approval of the commissioner. A contract between a medical service corporation and a provider of home health services or a licensed hospice agency shall not require the participating home health provider or participating licensed hospice agency to be accredited by the Joint Commission on Accreditation of Healthcare Organizations or other national accrediting body if the agency is certified for participation in the Medicare program, Title XVIII of the federal Social Security Act, 42 U.S.C. Sections 1395 et seq.

(b) Any agreement between a medical service corporation and a person whereby such corporation undertakes to furnish benefits for medical service to said person and his covered dependents, if any, shall be considered a non-group medical service agreement. The subscriber contracts, rates and evidence of coverage shall be subject to the disapproval of the commissioner. No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, nor if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable. Nongroup agreements, except contracts providing supplemental coverage to Medicare or other governmental programs that are subject to the provisions of chapter 176K, shall also be subject to the provisions of chapter 176M and any regulations promulgated thereunder. To the extent that this section is inconsistent with the provisions of chapter 176K or chapter 176M, and any regulations promulgated thereunder, Medicare supplement insurance plans as defined in said chapter 176K shall be subject to the provisions of said chapter 176K, and non-group agreements shall be subject to chapter 176M.

(c) Any such corporation shall make available each type of Medicare supplemental coverage allowed by the commissioner of insurance to any resident of the commonwealth whose coverage under a Medicare program offered by a health maintenance organization licensed under chapter 176G has been cancelled because the health maintenance organization's contract with Medicare has been terminated. Such coverage shall be offered without any waiting periods or exclusions for pre-existing conditions and shall become effective on the date that the coverage is cancelled.

(d) Any agreement between a medical service corporation and a group of two or more persons or with the employer, employers or other representatives of such group whereby the medical service corporation undertakes to furnish benefits for medical service to said persons and to their covered dependents, if any, shall be considered a group medical service agreement; provided, however, that eligible persons in a group who are enrollees under a group health maintenance contract, as defined in section one of chapter 176G, shall be included for purposes of determining the number of persons within a group having a medical service agreement.

(e) Under such a group medical service agreement, subscription certificates and the rates charged by the corporation to the subscribers shall be filed with the commissioner within thirty days after their effective date, and shall be subject to subsequent disapproval by the commissioner if he finds that the benefits provided therein are unreasonable in relation to the rate charged, or that the rates charged are excessive, inadequate or unfairly discriminatory; and provided that group plan contracts issued and rates charged by a nonprofit medical service corporation to its subscribers providing supplemental coverage to Medicare shall be subject to the provisions of chapter 176K if the subscribers, and not their employer, employers or representatives, are billed directly for such contracts. No classification of risk may be established on the basis of age. In disapproving any rate under this section, the commissioner shall make a finding on the basis of information submitted by a medical service corporation, that such corporation employs a utilization review program and other techniques acceptable to him which have had or are expected to have a demonstrated impact on the prevention of reimbursement by such corporation for services which are not medically necessary. The commissioner may make and, at any time, alter or amend, reasonable rules or regulations to facilitate the operation and enforcement of this section and to govern hearings and investigations thereunder. He may issue such orders as he finds

proper, expedient or necessary to enforce and administer the provisions of this section and to secure compliance with any rules and regulations made thereunder.

(f) The open enrollment period and coverage effective date for any group medical service plan contract providing supplemental coverage to Medicare shall be the same as the open enrollment period of all other group health plan options offered by the employer, representative or group sponsor to the group's members who are eligible for Medicare supplemental coverage.

(g) Nothing in this section shall be construed to prohibit as unreasonable or unfairly discriminatory the establishment of classifications or modifications of classifications of risks based upon size, expense, management, individual experience, purpose, location or dispersion of hazard or any other reasonable considerations, or to prohibit retrospective refunds. Acquisition costs in connection with the solicitation of subscribers and costs of administration shall at all times be limited to such amounts as the commissioner shall approve.

(h) The subscriber's contracts, rates and evidence of coverage shall be subject to the disapproval of the commissioner. No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable.

(i) Except for coverage under a Medicare Part C arrangement or under the MassHealth program, for all insured health benefit plan rates intended to be effective on and after July 1, 2018, the carrier's health benefit plan rates are to be filed with the commissioner and considered presumptively disapproved as excessive, and subject to a mandatory rate hearing, if the carrier's network provider reimbursement rates are not set in accordance with the following requirements established by the division of insurance (in this section, the "division"), in consultation with the executive office of health and human services and the center for health information and analysis:

1) Acute Hospitals: the weighted average rate of reimbursement for inpatient and outpatient services for contracting network acute hospitals is reviewed in relation to the average Medicare hospital rate for the service and assigned to one of three tiers and the weighted average rate of reimbursement change for a hospital in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;

2) Professional Services: the weighted average rate of reimbursement for services delivered by non- primary care and non- behavioral health providers is reviewed in relation to the weighted average Medicare fee schedule for the service and the provider is assigned to one of three tiers, and the average weighted rate of reimbursement change for a provider in the tier does not exceed the annual rate of change identified in the following clauses:

- (i) Tier 1: The weighted average rate of change is not limited;
- (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
- (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;



- (j) Notwithstanding the generality of paragraphs (1) and (2) above, the division, in consultation with the executive office of health and human services and the center for health information and analysis, shall establish a methodology for assigning providers to an appropriate tier if the provider does not receive sufficient Medicare reimbursement due to the services the provider delivers.
- (k) The division, in consultation with the executive office of health and human services, may review and make recommendations to revise the growth rates established in this section every 3 years.
- (l) The health benefit plan weighted average rates of reimbursement for services delivered by primary care providers and behavioral health providers are exempt from, and shall not be impacted by, the provisions of subsection (i) of this section.
- (m) In preparing rates, carriers may exercise flexibility in the administration of the growth rate restrictions set forth in subsection (i) provided that they do so in a nondiscriminatory manner that is consistent with regulations promulgated by the division.
- (n) Notwithstanding the provisions of subsection (i) of this section, if a provider that has an alternative payment contract such as an accountable care organization or other value based payment arrangement with the carrier that includes both significant downside risk and significant participation from the carrier's enrollees, based on minimum standards established by the division, in consultation with the executive office of health and human services, then the carrier, when developing its health benefit plan rates, may allow for up to a 1 per cent higher increase in the average weighted rate of reimbursement for that provider than is permitted under subsection (i) of this section.
- (o) The division, in consultation with the executive office of health and human services, shall establish standards for eliminating administrative facility fees for services provided in clinics, including but not limited to satellite clinics operating under a hospital license. Notwithstanding the generality of the foregoing, the division may promulgate regulations that allow for administrative facility fees under appropriate circumstances. Rates will be presumptively disapproved if carriers have any arrangement with a provider that allows the carrier to pay for an administrative facility fee inconsistent with such standards or which permits the provider to balance bill a covered member for any such administrative facility fees. The division, in consultation with the executive office of health and human services, shall also establish requirements that carriers reinvest a portion of the savings into higher rates of reimbursement for standalone professional services including, but not limited to, primary care or behavioral health services or into reduced premiums for health benefit plan members.
- (p) The division, in consultation with the executive office of health and human services and the center for health information and analysis, shall promulgate regulations to implement the provisions of this section.

*Summary:*

This is one of four sections that establish tiered caps on the rate of growth for all acute hospitals and professional service providers, except behavioral health and primary care providers. These sections also authorize the Division of Insurance and the Executive Office of Health and Human Services to establish standards for eliminating administrative facility fees and requiring health plans to reinvest savings into reduced premiums for consumers or higher rates for professional services, including behavioral health and primary care services.

## Section 53 - Health Care Affordability 4

SECTION 53. Chapter 176G of the General Laws is hereby amended by striking out section 16, as so appearing, and inserting in place thereof the following section:-

Section 16. Contracts, rates, evidence of coverage; disapproval of commissioner

- (a) The subscriber contracts, rates and evidence of coverage shall be subject to the disapproval of the commissioner. No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable.
- (b) Except for coverage under a Medicare Part C arrangement or under the MassHealth program, for all insured health benefit plan rates intended to be effective on or after July 1, 2018, the carrier's health benefit plan rates are to be filed with the commissioner and considered presumptively disapproved as excessive, and subject to a mandatory rate hearing, if the carrier's network provider reimbursement rates are not set in accordance with the following requirements established by the division of insurance (in this section, the "division"), in consultation with the executive office of health and human services and the center for health information and analysis:
- 1) Acute Hospitals: the weighted average rate of reimbursement for inpatient and outpatient services for contracting network acute hospitals is reviewed in relation to the average Medicare hospital rate for the service and assigned to one of three tiers and the weighted average rate of reimbursement change for a hospital in the tier does not exceed the annual rate of change identified in the following clauses:
    - (i) Tier 1: The weighted average rate of change is not limited;
    - (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
    - (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;
  - 2) Professional Services: the weighted average rate of reimbursement for services delivered by non- primary care and non- behavioral health providers is reviewed in relation to the weighted average Medicare fee schedule for the service and the provider is assigned to one of three tiers, and the average weighted rate of reimbursement change for a provider in the tier does not exceed the annual rate of change identified in the following clauses:
    - (i) Tier 1: The weighted average rate of change is not limited;
    - (ii) Tier 2: The weighted average rate of change may not increase in the future rate year by more than 1 per cent above the weighted average rate for the current year;
    - (iii) Tier 3: The weighted average rate of change may not increase in the future rate year above the weighted average rate for the current year;
- (c) Notwithstanding the generality of paragraphs (1) and (2) above, the division, in consultation with the executive office of health and human services and the center for health information and analysis, shall establish a methodology for assigning providers to an appropriate tier if the provider does not receive sufficient Medicare reimbursement due to the services the provider delivers.
- (d) The division, in consultation with the executive office of health and human services, may review and make recommendations to revise the growth rates established in this section every 3 years.
- (e) The health benefit plan weighted average rates of reimbursement for services delivered by primary care providers and behavioral health providers are exempt from, and shall not be impacted by, the provisions of subsection (b) of this section.
- (f) In preparing rates, carriers may exercise flexibility in the administration of the growth rate restrictions set forth in subsection (b) provided that they do so in a nondiscriminatory manner that is consistent with regulations promulgated by the division.

(g) Notwithstanding the provisions of subsection (b) of this section, if a provider that has an alternative payment contract such as an accountable care organization or other value based payment arrangement with the carrier that includes both significant downside risk and significant participation from the carrier's enrollees, based on minimum standards established by the division, in consultation with the executive office of health and human services, then the carrier, when developing its health benefit plan rates, may allow for up to a 1 per cent higher increase in the average weighted rate of reimbursement for that provider than is permitted under subsection (b) of this section.

(h) The division, in consultation with the executive office of health and human services, shall establish standards for eliminating administrative facility fees for services provided in clinics, including but not limited to satellite clinics operating under a hospital license. Notwithstanding the generality of the foregoing, the division may promulgate regulations that allow for administrative facility fees under appropriate circumstances. Rates will be presumptively disapproved if carriers have any arrangement with a provider that allows the carrier to pay for an administrative facility fee inconsistent with such standards or which permits the provider to balance bill a covered member for any such administrative facility fees. The division, in consultation with the executive office of health and human services, shall also establish requirements that carriers reinvest a portion of the savings into higher rates of reimbursement for standalone professional services including, but not limited to, primary care or behavioral health services or into reduced premiums for health benefit plan members.

(i) To the extent that this section is inconsistent with the provisions of chapter 176K, and any regulations promulgated thereunder, Medicare supplemental insurance plans as defined in said chapter 176K shall be subject to the provisions of said chapter 176K.

(j) The division, in consultation with the executive office of health and human services and the center for health information and analysis, shall promulgate regulations to implement the provisions of this section.

*Summary:*

This is one of four sections that establish tiered caps on the rate of growth for all acute hospitals and professional service providers, except behavioral health and primary care providers. These sections also authorize the Division of Insurance and the Executive Office of Health and Human Services to establish standards for eliminating administrative facility fees and requiring health plans to reinvest savings into reduced premiums for consumers or higher rates for professional services, including behavioral health and primary care services.

## **Section 54 - Hospital Assessment 6**

SECTION 54. Sections 8A and 14 of chapter 115 of the acts of 2016 are hereby repealed.

*Summary:*

This section revises related references to the acute hospital assessment to account for the non-acute hospital assessment.

## **Section 55 - Study of Public Counsel Services**

SECTION 55. The secretary of administration and finance or a designee, in consultation with the chairs of the house and senate committees on ways and means or their designees, the chief justice of the trial court or a designee, and a designee of the Committee for Public Counsel Services shall develop a set of recommended reforms to reduce aggregate expenditures on items 0321-1500, 0321-1504, 0321-

1510, and 0321-1520 during fiscal year 2018. The secretary shall retain an independent consultant with demonstrated experience in evaluating measures of the workload of, services offered by, standards applicable to and the management and administration of, attorneys providing public counsel services. The Committee for Public Counsel Services shall promptly provide all information, data, and technical or other assistance requested by the secretary or the independent consultant. The study shall be funded by item 1599-2016.

The secretary shall submit a report detailing, without limitation: the set of recommended reforms, clearly defined goals and metrics for the number and types of cases to be staffed by public defenders, alternatives to hourly compensation for private counsel at a statutory rate, recommendations on strategies to maximize the efficiency and effectiveness of taxpayer dollars and any other recommendations to promote efficiency and effectiveness within the Committee for Public Counsel Services. The report shall be filed with the chairs of the house and senate committees on ways and means not later than November 1, 2017.

*Summary:*

This section requires the Secretary of Administration and Finance to consult with designees of the Legislature and courts and then, by November 1, 2017, report on a set of recommended reforms to reduce spending on public counsel services and promote efficiency and effectiveness within the Committee for Public Counsel Services.

## **Section 56 - Trial Court Transferability**

SECTION 56. Notwithstanding clause (xiii) of the third paragraph of section 9A of chapter 211B of the General Laws or any other general or special law to the contrary, the court administrator may, from the effective date of this act to April 30, 2018, inclusive, transfer funds from any item of appropriation within the trial court; provided, however, that the court administrator shall not transfer more than 5 per cent of funds from items 0339-1001 and 0339-1003 to any other item of appropriation within the trial court. The transfers shall be made in accordance with schedules submitted to the house and senate committees on ways and means. The schedules shall include: (i) the amount of money transferred from any item of appropriation to any other item of appropriation; (ii) the reason for the necessity of the transfer; and (iii) the date on which the transfer shall be completed. A transfer under this section shall not occur until 10 days after the revised funding schedules have been submitted in writing to the house and senate committees on ways and means.

*Summary:*

This section authorizes the trial court to transfer appropriations within its divisions, as long as such transfers are executed by April 30, 2018. It would also limit transfers from the appropriations for probation and community corrections to 5% of those appropriations. The section requires ten days advance notice to the House and Senate Committees on Ways and Means before a transfer under this section can be executed.

## **Section 57 - Other Post-Employment Benefits Liability**

SECTION 57. (a) Notwithstanding any general or special law to the contrary, the unexpended balances in items 0699-0014, 0699-0015, 0699-2005 and 0699-9100 shall be deposited into the State Retiree Benefits Trust Fund established in section 24 of chapter 32A of the General Laws prior to determining the fiscal year 2018 consolidated net surplus under section 5C of said chapter 29. The amount deposited shall be an amount equal to 10 per cent of all payments received by the commonwealth in fiscal year 2018 under the master settlement agreement in Commonwealth of Massachusetts v. Philip Morris, Inc. et al., Middlesex Superior Court, No. 95-7378; provided, however, that if in fiscal year 2018 the unexpended balances of said items 0699-0014, 0699-0015, 0699-2005 and 0699-9100 are less

than 10 per cent of all payments received by the commonwealth in fiscal year 2018 under the master settlement agreement payments, an amount equal to the difference shall be transferred to the State Retiree Benefits Trust Fund from payments received by the commonwealth under the master settlement agreement.

(b) Notwithstanding any general or special law to the contrary, the percentage increase set forth in section 152 of chapter 68 of the acts of 2011 shall not apply in fiscal year 2018.

*Summary:*

This section authorizes the use of debt service reversions to pay for OPEB funding. If debt service reversions are insufficient to cover the required funding, tobacco settlement proceeds would be used to make up that deficiency.

### **Section 58 - Inspector General's Health Care Audits**

SECTION 58. Notwithstanding any general or special law to the contrary, in hospital fiscal year 2018, the office of inspector general may expend a total of \$1,000,000 from the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws for costs associated with maintaining a health safety net audit unit within the office. The unit shall continue to oversee and examine the practices in all hospitals including, but not limited to, the care of the uninsured and the resulting free charges. The unit shall also study and review the Medicaid program under said chapter 118E including, but not limited to, reviewing the program's eligibility requirements, utilization, claims administration and compliance with federal mandates. The inspector general shall submit a report to the house and senate committees on ways and means on the results of the audits and any other completed analyses on or before March 1, 2018.

*Summary:*

This section authorizes the Inspector General's Office to conduct audits of the Health Safety Net and the MassHealth program, at a cost of \$1 million for fiscal year 2018. As in past years, this cost will be borne by the Health Safety Net Trust Fund.

### **Section 59 - Commonwealth Care Trust Fund Transfer**

SECTION 59. Notwithstanding any general or special law to the contrary, the comptroller shall transfer up to \$110,000,000 from the Commonwealth Care Trust Fund established in section 2000 of chapter 29 of the General Laws to the General Fund if the secretary of administration and finance requests such transfer in writing.

*Summary:*

This section requires the Comptroller to transfer up to \$110,000,000 from the Commonwealth Care Trust Fund to the General Fund.

### **Section 60 - FY 2017 Consolidated Net Surplus**

SECTION 60. Notwithstanding any general or special law to the contrary, prior to transferring the consolidated net surplus in the budgetary funds to the Commonwealth Stabilization Fund pursuant to section 5C of chapter 29 of the General Laws, the comptroller shall dispose of the consolidated net surplus in the budgetary funds for fiscal year 2017 as follows: (i) transfer  $\frac{1}{2}$  of the surplus, not to

exceed \$10,000,000, to the Massachusetts Life Sciences Investment Fund established in section 6 of chapter 23I of the General Laws; and (ii) transfer  $\frac{1}{2}$  of the surplus, not to exceed \$10,000,000, to the Massachusetts Community Preservation Trust Fund established in section 9 of chapter 44B of the General Laws.

*Summary:*

This section requires a transfer of up to \$10 million from any consolidated net surplus in fiscal year 2017 to the Community Preservation Trust Fund, and up to \$10 million to the Massachusetts Life Sciences Center, before the remaining funds are deposited into the Stabilization Fund.

### **Section 61 - Pension Cost of Living Adjustment**

SECTION 61. Notwithstanding any general or special law to the contrary, the amounts transferred pursuant to subdivision (1) of section 22C of chapter 32 of the General Laws shall be made available for the Commonwealth's Pension Liability Fund established in section 22 of said chapter 32. The amounts transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 shall meet the commonwealth's obligations pursuant to said section 22C of said chapter 32, including retirement benefits payable by the state employees' retirement system and the state teachers' retirement system, for the costs associated with a 3 per cent cost-of-living adjustment pursuant to section 102 of said chapter 32, for the reimbursement of local retirement systems for previously authorized cost-of-living adjustments pursuant to said section 102 of said chapter 32 and for the costs of increased survivor benefits pursuant to chapter 389 of the acts of 1984. The state board of retirement and each city, town, county and district shall verify these costs, subject to rules which shall be adopted by the state treasurer. The state treasurer may make payments upon a transfer of funds to reimburse certain cities and towns for pensions to retired teachers, including any other obligations which the commonwealth has assumed on behalf of any retirement system other than the state employees' retirement system or state teachers' retirement system, including the commonwealth's share of the amounts to be transferred pursuant to section 22B of said chapter 32. All payments under this section shall be made only pursuant to distribution of money from the fund and any distribution, and the payments for which distributions are required, shall be detailed in a written report filed quarterly by the secretary of administration and finance with the house and senate committees on ways and means and the joint committee on public service in advance of the distribution. Distributions shall not be made in advance of the date on which a payment is actually to be made. If the amount transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 exceeds the amount necessary to adequately fund the annual pension obligations, the excess amount shall be credited to the Pension Reserves Investment Trust Fund established in subdivision (8) of section 22 of said chapter 32 to reduce the unfunded pension liability of the commonwealth.

*Summary:*

This annual section explains how the Commonwealth is fulfilling its various obligations to the state retirement system, including the obligation to fund a 3% cost-of-living adjustment on the first \$13,000 of a retiree's annual retirement allowance.

### **Section 62 - Room Occupancy Tax Changes 2**

SECTION 62. Notwithstanding any provision of chapter 64G, an intermediary as defined in section 1 of chapter 64G who enters into an agreement with the commissioner under section 10 of said chapter 64G may treat any accommodation for which the intermediary provides services as an occupancy subject to the excise under chapter 64G, collecting and remitting payments under chapter 62C and 64G and St. 1997, c. 152, § 9, as amended by St. 2001, c. 45, §§ 2-4, accordingly, under conditions

specified by the commissioner and agreed to by the intermediary in the agreement under section 10 of chapter 64G.

*Summary:*

This section authorizes the Commissioner of Revenue to enter into agreements with intermediaries serving the transient accommodation market, for the collection of occupancy tax on behalf of all property owners the intermediary may represent.

### **Section 63 - Sick Leave Buyback 2**

SECTION 63. Notwithstanding any general or special law to the contrary, section 22 shall take effect for any employee of the commonwealth who has accrued not more than 1,000 hours of unused sick leave credits, on the effective date of this act. Any employee of the commonwealth who has accrued more than 1,000 hours of unused sick leave credits as of the effective date of this act shall not accrue credits in excess of those credits, but may accrue credits for any sick time that is used after the effective date of this act.

*Summary:*

This section, with two others, proposes the sick leave buyback legislation filed by the Governor during the 2015-16 session, H.4341. It would limit the accrual of unused sick time for state employees to 1,000 hours. It would also freeze the accrual of sick time for any employee who has already accrued more than 1,000 hours, as of the effective date of this act.

### **Section 64 - Sick Leave Buyback 3**

SECTION 64. Notwithstanding any general or special law to the contrary, the personnel administrator shall promulgate revised rules under the second paragraph of section 28 of chapter 7 of the General Laws to incorporate the changes enacted in section 22 of this act, which revisions shall take effect as soon as practicable after the effective date of this act.

*Summary:*

This section, with two others, proposes the sick leave buyback legislation filed by the Governor during the 2015-16 session, H.4341. It would limit the accrual of unused sick time for state employees to 1,000 hours. It would also freeze the accrual of sick time for any employee who has already accrued more than 1,000 hours, as of the effective date of this act.

### **Section 65 - Special Needs Programs Out-of-District Tuition**

SECTION 65. Notwithstanding any general or special law to the contrary, the operational services division which, under section 22N of chapter 7 of the General Laws, is responsible for determining prices for programs under chapter 71B of the General Laws, shall set those prices in fiscal year 2018 at the same level calculated for fiscal year 2017, except the prices for those programs for extraordinary relief, as defined in the division's regulations. Programs for which prices in fiscal year 2017 were lower than the full amount permitted by the operational services division may charge in fiscal year 2018 the full price calculated for fiscal year 2017.

*Summary:*

This section specifies that the state will pay private special education providers the same price that the state paid last fiscal year, except for those programs that qualify for "extraordinary relief" under Operational Service Division regulations.

**Section 66 - Community Hospital Reinvestment Expenditures**

SECTION 66. Notwithstanding any general or special law to the contrary, up to \$17,000,000 may be expended from the Community Hospital Reinvestment Trust Fund established in section 2TTTT of chapter 29 of the General Laws to enhance the ability of eligible hospitals to improve or continue health care services that benefit the uninsured, underinsured, or MassHealth populations; provided further, that the executive office of health and human services shall maximize federal reimbursements for state expenditures made to these providers; provided further, that such expenditures may include up to \$17,000,000 for fiscal year 2017.

*Summary:*

This section allows payments from the Community Hospital Reinvestment Trust Fund to be made as Infrastructure and Capacity Building grants to support increased payments to hospitals.

**Section 67 - Employer Contribution to Health Care 3**

SECTION 67. Notwithstanding any general or special law to the contrary, the comptroller shall count as revenue in fiscal year 2018 any payments of the employer contribution established under chapter 118J made to satisfy the employer's obligations incurred for the second quarter of calendar year 2018 that are received by the commonwealth on or before August 31, 2018.

*Summary:*

This section attributes to fiscal year 2018 revenues employer contributions that are for liability incurred in the first two quarters of calendar year 2018, and are received on or before August 31, 2018.

**Section 68 - Health Safety Net Administration**

SECTION 68. Notwithstanding any general or special law to the contrary, payments from the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws may be made either as safety net care payments under the commonwealth's waiver pursuant to section 1115 of the federal Social Security Act or as an adjustment to Title XIX service rate payments or a combination of both. Other federally permissible funding mechanisms available for certain public service hospitals, as defined by regulations of the executive office of health and human services, may be used to reimburse up to \$20,000,000 of uncompensated care pursuant to said sections 66 and 69 of said chapter 118E using sources distinct from the funding made available to the Health Safety Net Trust Fund.

*Summary:*

This section allows Health Safety Net payments to be made as 1115 waiver or state plan payments, and authorizes up to \$20 million of uncompensated care to be paid from sources of funds other than the Health Safety Net Trust Fund.



## **Section 69 - Initial Gross Payments to Qualifying Acute Care Hospitals**

SECTION 69. Notwithstanding any general or special law to the contrary, on or before October 1, 2017 and without further appropriation, the comptroller shall transfer from the General Fund to the Health Safety Net Trust Fund established pursuant to section 66 of chapter 118E of the General Laws, in this section called the fund, the greater of \$45,000,000 or one-twelfth of the total expenditures to hospitals and community health centers required pursuant to this act, for the purposes of making initial gross payments to qualifying acute care hospitals for the hospital fiscal year beginning October 1, 2017. These payments shall be made to hospitals before, and in anticipation of, the payment by hospitals of their gross liability to the fund. The comptroller shall transfer from the fund to the General Fund, not later than June 30, 2018, the amount of the transfer authorized by this section and any allocation of that amount as certified by the director of the health safety net office.

*Summary:*

This annual section requires the Comptroller to transfer sufficient money from the General Fund to the Health Safety Net Trust Fund to make the required initial gross payment to qualifying hospitals. It requires the Health Safety Net Trust Fund to repay the General Fund before the end of fiscal year 2018.

## **Section 70 - Moratorium on Mandated Benefits**

SECTION 70. Notwithstanding any general or special law to the contrary, there is a 5 year moratorium on the addition of any new mandatory health care benefits, except as otherwise required by federal law.

*Summary:*

This section establishes a five-year moratorium on new mandated benefits.

## **Section 71 - Transfers between Health Funds**

SECTION 71. Notwithstanding any general or special law to the contrary, the executive office for administration and finance may transfer up to \$15,000,000 from the Commonwealth Care Trust Fund established in section 2000 of chapter 29 of the General Laws to the Health Safety Net Trust Fund established in section 66 of chapter 118E of the General Laws.

*Summary:*

This section authorizes the Secretary of Administration and Finance to transfer up to \$15 million from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund.

## **Section 72 - MassHealth CarePlus Vision Coverage**

SECTION 72. Notwithstanding any general or specific law to the contrary for fiscal year 2018, the executive office of health and human services may determine, subject to all required federal approvals, the extent to which to include within its covered services for CarePlus members, eyeglasses, contact lenses, and other visual aids that were included in its state plan or demonstration program in effect on January 1, 2002.

*Summary:*

This section authorizes the Executive Office of Health and Human Services to determine the level of covered vision benefits in the MassHealth program for CarePlus members.

**Section 73 - Nursing and Resident Care Facility Base Year**

SECTION 73. Notwithstanding any general or special law to the contrary, nursing facility and resident care facility rates effective October 1, 2017 under section 13D of chapter 118E of the General Laws may be developed using the costs of calendar year 2007, or any subsequent year that the secretary of health and human services may select in the secretary's discretion.

*Summary:*

This section establishes 2007, or any subsequent year the Secretary of Health and Human Services may choose, as the base year for nursing facility and resident care facility rates in fiscal year 2018.

**Section 74 - MassHealth Dental Coverage**

SECTION 74. Notwithstanding any general or specific law to the contrary for fiscal year 2018, the executive office of health and human services may determine, subject to all required federal approvals, the extent to which to include within its covered services for adults the federally-optional dental services that were included in its state plan or demonstration program in effect on January 1, 2002, provided that dental services for adults enrolled in MassHealth shall be covered at least to the extent covered as of June 30, 2017.

*Summary:*

This section authorizes MassHealth to provide the same level of dental benefits that it is offering in fiscal year 2017.

**Section 75 - Public Health Data 2**

SECTION 75. Not later than one year from the effective date of this act, the commissioner of public health shall produce a report of key findings of examinations conducted pursuant to section 236 of chapter 111 of the General Laws. Periodically thereafter the commissioner shall report on additional key findings. Reports shall be filed with the clerks of the senate and house of representatives and made available on the department's website.

*Summary:*

This section requires the Department of Public Health to report key findings from its data collection initiative to the Legislature.

**Section 76 - Electronic Communication**

SECTION 76. Notwithstanding any other general or special law to the contrary, communication required or permitted under chapter 151A of the General Laws shall be made and transmitted in the manner and form prescribed by the director, which may include electronic communication. The director shall establish procedures allowing the use of the United States Postal Service for those lacking

reasonable access to, or the ability to use, electronic means of communication. For these purposes, "communication" includes, but is not limited to, notices and questionnaires from the department and responses and other submissions from a claimant, a claimant's representative, an employer, or an employer's representative. Electronic communication sent to the department, made in the name of a claimant or employer using the Social Security Account Number, Federal Employer Identification Number or a unique identification number or code assigned to the claimant or employer by the director, shall be presumed made by that individual or employer, unless the director is satisfied by a preponderance of the available evidence that it was not done by that individual or employer.

*Summary:*

This section permits the Department of Unemployment Assistance to transmit any communication, if required or permitted by chapter 151A of the General Laws, in a manner prescribed by the director, including through electronic means, provided that the department establishes procedures to allow the use of the United States Postal Service for recipients who may lack reasonable access to, or the ability to use, electronic means of communication.

## **Section 77 - Tuition Retention**

SECTION 77. There shall be a task force to study the feasibility of implementing tuition retention for state universities and community colleges and the steps necessary, including statutory changes, to make implementation possible. The task force shall be chaired by the commissioner of higher education, and include the following members: the secretary of education, or a designee; two presidents from each segment, or their designees; the house and senate chairs of the joint committee on higher education or their designees; and one representative from the executive office for administration and finance. Not later than October 15, 2017, the task force shall study and report to the secretary of administration and finance and the house and senate committees on ways and means on the following matters: (a) the costs and benefits associated with implementing tuition retention in a manner that is transparent, consumer friendly, and consistent across the public higher education system, including the University of Massachusetts; (b) the implications of authorizing state universities and community colleges to set their own tuition rates, within parameters established under multi-year strategic plans approved by the board of higher education and the secretary of education; (c) the practices used across the campuses in determining the amount of tuition that is currently remitted to the Commonwealth, including how campuses and the board of higher education define "state supported" versus "non state-supported" for purposes of establishing remittance amounts and other fiscal reporting and apportionment matters; (d) potential methodologies for establishing a revenue neutral implementation plan, including the mitigation of revenue variability due to fluctuations in enrollments; (e) the possibility of phasing in tuition retention over several years or implementing it on separate timelines for the state university and community college segments; and (f) any Commonwealth financial obligations, such as fringe costs, that may be affected by the implementation of tuition retention.

*Summary:*

This section creates a task force to evaluate the feasibility of plans to allow all state universities and community colleges to retain tuition revenues in a manner similar to that granted to the University of Massachusetts in the fiscal year 2016 budget.

## **Section 78 - Veteran's Tax Credit Effective Date**

SECTION 78. The credit allowed under sections 30 and 35 shall be available for veterans who are hired after July 1, 2017, and shall be available for the tax year that begins on January 1, 2017 and for subsequent tax years.

*Summary:*

This section allows eligible businesses to count any veteran hired after July 1, 2017 towards the credit for tax year 2017 and subsequent tax years.

**Section 79 - Hospital Assessment - Effective Date 1**

SECTION 79. The non-acute hospital payments established under section 19 shall be determined and payable in each fiscal year beginning in fiscal year 2018.

*Summary:*

This section establishes that the non-acute care hospital assessment takes effect for fiscal year 2018.

**Section 80 - Hospital Assessment - Effective Date 2**

SECTION 80. Sections 19, 42, 43, 45 and 54 shall take effect on October 1, 2017.

*Summary:*

This section establishes that provisions relating to the non-acute care hospital assessment take effect on October 1, 2017.

**Section 81 - Home Health Agency Licensure Effective Date**

SECTION 81. Section 39 of this act shall take effect on December 31, 2017.

*Summary:*

This section sets December 31, 2017 as the effective date for the home health agency licensure requirements.

**Section 82 - Employer Contribution to Health Care Effective Date**

SECTION 82. Section 46 shall take effect on January 1, 2018.

*Summary:*

This section makes the employer contribution established under chapter 118J, effective January 1, 2018.

**Section 83 - Room Occupancy Tax Effective Date**

SECTION 83. Section 36 shall take effect for transfers of occupancies that commence on or after January 1, 2018.

*Summary:*

This section specifies that the room occupancy tax changes would take effect for transfers of occupancies commencing on or after January 1, 2018.

### **Section 84 - Sales Tax Modernization: Timing Change Effective Date**

SECTION 84. Section 34 shall apply to all payments to a vendor or operator by a third party payment processor on or after June 1, 2018.

*Summary:*

This section establishes an effective date of June 1, 2018 for the timing change applicable to third-party processors of sales tax transaction.

### **Section 85 - Hospital Assessment - Effective Date 3**

SECTION 85. Section 44 shall take effect on September 30, 2022.

*Summary:*

This section restores the current language for hospital assessment at the expiration of five years to take into account the sunset of the MassHealth Delivery System Reform Trust Fund.

### **Section 86 - Effective Date**

SECTION 86. Except as otherwise specified, this act shall take effect as of July 1, 2017.

*Summary:*

This section provides that the budget shall take effect on July 1, 2017.



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